



QUARTERLY STATEMENT

AS OF MARCH 31, 2009
OF THE CONDITION AND AFFAIRS OF THE

Group Hospitalization and Medical Services, Inc.

NAIC Group Code	0380	0380	NAIC Company Code	53007	Employer's ID Number	53-0078070
	(Current Period)	(Prior Period)				
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []	Hospital, Medical & Dental Service or Indemnity [X]		
	Dental Service Corporation []		Vision Service Corporation []	Health Maintenance Organization []		
	Other []		Is HMO, Federally Qualified? Yes [] No []			
Incorporated/Organized	08/11/1939		Commenced Business	03/15/1934		
Statutory Home Office	840 First Street NE		Washington, DC 20065			
	(Street and Number)		(City, State and Zip Code)			
Main Administrative Office	10455 Mill Run Circle		Owings Mills, MD 21117	410-581-3000		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	10455 Mill Run Circle		Owings Mills, MD 21117			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	10455 Mill Run Circle		Owings Mills, MD 21117	410-998-7011		
	(Street and Number)		(City, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Web Site Address	www.carefirst.com					
Statutory Statement Contact	William Vincent Stack		410-998-7011			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	bill.stack@carefirst.com		410-998-6850			
	(E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title	Name	Title
Chester Emerson Burrell	President and Chief Executive Officer	John Anthony Picciotto	Corp.Secretary, Exec. VP & Gen. Counsel
Jeanne Ann Kennedy	Corp. Treasurer & VP		

OTHER OFFICERS

Glenn Rothman	SVP, Shared Services	David Donald Wolf	Exec VP, Med Sysys, Corp Dev
Gregory Mark Chaney	Exec. VP & CFO	Gregory Allen Devou	Exec VP, Chief Mktg Office
Michael Bruce Edwards	SVP, Networks Mgmt	Gwendolyn Denise Skillern	Sr.VP and General Auditor
Pamela Sue Deuterman	SVP, ASU-FEP	Michael John Felber	SVP, Sales
Sharon Jean Vecchioni	Exec VP, Chief of Staff	Rita Ann Costello	Sr. VP, Strategic Marketing
Maria Harris Tildon	SVP, Public Policy	Jon Paul Shematek, M.D.	Chief Medical Officer
Dennis Allen Cupido	SVP, ASU-Large Groups	Steven J Margolis	SVP, Small & Medium Group ASU
Kenny Waitem Kan	Sr. VP, Chief Actuary	Alok Gupta	Sr. VP, Chief Information Officer

DIRECTORS OR TRUSTEES

Michel Llewellyn Daley	Elizabeth Oliver-Farrow	Robert Marcellus Willis	Natalie Olivia Ludaway
James Wallace	Larry Donovan Bailey	Nathaniel Thomas Connally	Robert Lee Sloan
Linda Washington Cropp	Carlos Mario Rodriguez	Faye Ford Fields	Ralph John Rohner

State of
County of SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Chester Emerson Burrell President and Chief Executive Officer	John Anthony Picciotto Corp.Secretary, Exec. VP & Gen. Counsel	Jeanne Ann Kennedy Corp. Treasurer & VP
a. Is this an original filing? Yes [X] No []		
b. If no,		
1. State the amendment number		
2. Date filed		
3. Number of pages attached		

Subscribed and sworn to before me this _____ day of _____,

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	610,938,312		610,938,312	611,460,470
2. Stocks:				
2.1 Preferred stocks	4,264,859		4,264,859	5,385,403
2.2 Common stocks	279,402,951		279,402,951	283,802,985
3. Mortgage loans on real estate:				
3.1 First liens	0		0	0
3.2 Other than first liens	0		0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	0		0	0
4.2 Properties held for the production of income (less \$ encumbrances)	0		0	0
4.3 Properties held for sale (less \$ encumbrances)	0		0	0
5. Cash (\$ (76,360,679)), cash equivalents (\$ 0) and short-term investments (\$ 92,832,499)	16,471,819		16,471,819	22,184,796
6. Contract loans (including \$ premium notes)	0		0	0
7. Other invested assets	1,052,048	166,667	885,381	506,034
8. Receivables for securities	0		0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	912,129,989	166,667	911,963,322	923,339,688
11. Title plants less \$ charged off (for Title insurers only)	0		0	0
12. Investment income due and accrued	5,347,833		5,347,833	5,106,928
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	248,014,430	807,873	247,206,557	230,904,426
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	26,435,958		26,435,958	26,363,324
14.2 Funds held by or deposited with reinsured companies	0		0	0
14.3 Other amounts receivable under reinsurance contracts	838,743		838,743	636,577
15. Amounts receivable relating to uninsured plans	49,105,482	2,244,792	46,860,690	47,679,636
16.1 Current federal and foreign income tax recoverable and interest thereon	12,999,788		12,999,788	13,275,013
16.2 Net deferred tax asset	152,669,454	141,558,441	11,111,013	8,895,120
17. Guaranty funds receivable or on deposit	0		0	0
18. Electronic data processing equipment and software	72,619,563	70,858,623	1,760,940	1,452,593
19. Furniture and equipment, including health care delivery assets (\$)	7,267,092	7,267,092	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0		0	0
21. Receivables from parent, subsidiaries and affiliates	10,041,469	8,153	10,033,316	8,896,000
22. Health care (\$ 52,823,407) and other amounts receivable	509,015,172	3,841,682	505,173,490	504,030,061
23. Aggregate write-ins for other than invested assets	72,890,595	70,534,448	2,356,147	2,355,686
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	2,079,375,568	297,287,771	1,782,087,797	1,772,935,052
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	2,079,375,568	297,287,771	1,782,087,797	1,772,935,052
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Other Assets.....	2,356,147		2,356,147	2,355,686
2302. Other Assets Non-Admitted.....	70,534,448	70,534,448	0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	72,890,595	70,534,448	2,356,147	2,355,686

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$34,527,960 reinsurance ceded)	294,950,397	6,621	294,957,018	271,596,790
2. Accrued medical incentive pool and bonus amounts	0		0	0
3. Unpaid claims adjustment expenses	10,270,569	231	10,270,800	10,120,800
4. Aggregate health policy reserves	455,674,687		455,674,687	455,674,687
5. Aggregate life policy reserves	0		0	0
6. Property/casualty unearned premium reserve	0		0	0
7. Aggregate health claim reserves	0		0	0
8. Premiums received in advance	85,113,510		85,113,510	73,389,418
9. General expenses due or accrued	109,550,702		109,550,702	107,065,396
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	52,197,248		52,197,248	53,726,412
12. Amounts withheld or retained for the account of others	39,231,238		39,231,238	64,105,435
13. Remittances and items not allocated	5,836,206		5,836,206	5,187,502
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	0		0	0
15. Amounts due to parent, subsidiaries and affiliates	20,239,289		20,239,289	12,103,349
16. Payable for securities	0		0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)	0		0	0
18. Reinsurance in unauthorized companies	0		0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates	0		0	0
20. Liability for amounts held under uninsured plans	26,860,724		26,860,724	24,742,235
21. Aggregate write-ins for other liabilities (including \$594,937 current)	8,931,476	0	8,931,476	8,443,312
22. Total liabilities (Lines 1 to 21)	1,108,856,046	6,852	1,108,862,898	1,086,155,336
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	0	0
25. Preferred capital stock	XXX	XXX	0	0
26. Gross paid in and contributed surplus	XXX	XXX	0	0
27. Surplus notes	XXX	XXX	0	0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	673,224,900	686,779,718
30. Less treasury stock, at cost:				
30.1 .....shares common (value included in Line 24) \$)	XXX	XXX		0
30.2 .....shares preferred (value included in Line 25) \$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	673,224,900	686,779,718
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	1,782,087,798	1,772,935,054
DETAILS OF WRITE-INS				
2101. Amounts Withheld for Escheatment	8,336,539		8,336,539	7,906,880
2102. Reinsurance Payable	594,937		594,937	536,432
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	8,931,476	0	8,931,476	8,443,312
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	2,714,124	2,581,724	10,975,857
2. Net premium income (including \$ non-health premium income).....	XXX	717,647,261	769,873,750	2,815,214,151
3. Change in unearned premium reserves and reserve for rate credits	XXX	.0	.0	(71,218,678)
4. Fee-for-service (net of \$ medical expenses)	XXX	.0	.0	.0
5. Risk revenue	XXX	.0	.0	.0
6. Aggregate write-ins for other health care related revenues	XXX	2,453,528	3,432,294	13,452,426
7. Aggregate write-ins for other non-health revenues	XXX	.0	.0	.0
8. Total revenues (Lines 2 to 7)	XXX	720,100,789	773,306,044	2,757,447,899
Hospital and Medical:				
9. Hospital/medical benefits	15,936	457,026,619	454,377,834	1,757,032,209
10. Other professional services		14,560,876	15,105,939	60,309,125
11. Outside referrals .....			.0	.0
12. Emergency room and out-of-area		61,947,148	58,828,323	251,354,756
13. Prescription drugs		176,375,549	168,157,717	667,466,588
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....			.0	.0
16. Subtotal (Lines 9 to 15)	15,936	709,910,192	696,469,813	2,736,162,678
Less:				
17. Net reinsurance recoveries		72,268,972	(2,072,050)	257,634,048
18. Total hospital and medical (Lines 16 minus 17)	15,936	637,641,220	698,541,863	2,478,528,630
19. Non-health claims (net).....			.0	.0
20. Claims adjustment expenses, including \$ 4,809,988 .....cost containment expenses.....		25,059,824	20,557,532	85,485,704
21. General administrative expenses.....		51,574,300	54,032,995	183,980,707
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			.0	.0
23. Total underwriting deductions (Lines 18 through 22)	15,936	714,275,344	773,132,390	2,747,995,041
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	5,825,445	173,654	9,452,858
25. Net investment income earned		8,956,104	10,401,401	42,338,600
26. Net realized capital gains (losses) less capital gains tax of \$..... (17,815)		71,260	1,047,229	(18,019,830)
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	9,027,364	11,448,630	24,318,770
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$ ..... ) .....			.0	.0
29. Aggregate write-ins for other income or expenses .....	.0	168,291	81,955	.0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	15,021,100	11,704,239	33,771,628
31. Federal and foreign income taxes incurred	XXX	3,878,947	3,236,003	7,571,329
32. Net income (loss) (Lines 30 minus 31)	XXX	11,142,153	8,468,236	26,200,299
DETAILS OF WRITE-INS				
0601. FEP Performance Incentive.....	XXX	2,432,000	3,402,000	13,343,000
0602. Trigon Network fee- Med D.....	XXX	21,528	30,294	109,426
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	2,453,528	3,432,294	13,452,426
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	.0	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.0	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Miscellaneous.....		168,291	81,955	.0
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.0	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	168,291	81,955	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	686,779,719	753,558,919	753,558,919
34. Net income or (loss) from Line 32	11,142,153	8,468,236	26,260,170
35. Change in valuation basis of aggregate policy and claim reserves		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$(5,003,807)	(7,050,965)	(5,026,270)	(10,492,177)
37. Change in net unrealized foreign exchange capital gain or (loss)	0	1,793,537	(373,294)
38. Change in net deferred income tax	2,106,303	1,071,511	126,262,466
39. Change in nonadmitted assets	(19,752,310)	(6,303,046)	(186,120,834)
40. Change in unauthorized reinsurance	0	0	0
41. Change in treasury stock		0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles		0	0
44. Capital Changes:			
44.1 Paid in		0	0
44.2 Transferred from surplus (Stock Dividend)		0	0
44.3 Transferred to surplus		0	0
45. Surplus adjustments:			
45.1 Paid in		0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital		0	0
46. Dividends to stockholders		0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0	(22,315,531)
48. Net change in capital & surplus (Lines 34 to 47)	(13,554,819)	3,968	(66,779,200)
49. Capital and surplus end of reporting period (Line 33 plus 48)	673,224,900	753,562,887	686,779,719
DETAILS OF WRITE-INS			
4701. Change in accumulated other - pension.....		0	636
4702. Miscellaneous.....		0	(22,316,167)
4703.		0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	(22,315,531)

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	711,449,798	2,802,525,818
2. Net investment income	8,538,667	43,753,586
3. Miscellaneous income	2,453,528	13,515,534
4. Total (Lines 1 to 3)	722,441,993	2,859,794,938
5. Benefit and loss related payments	615,390,206	2,537,866,704
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	67,997,589	289,267,152
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	3,585,904	11,044,044
10. Total (Lines 5 through 9)	686,973,699	2,838,177,900
11. Net cash from operations (Line 4 minus Line 10)	35,468,294	21,617,038
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	149,956,052	1,114,739,188
12.2 Stocks	30,316,457	67,529,066
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	180,272,509	1,182,268,254
13. Cost of investments acquired (long-term only):		
13.1 Bonds	155,326,968	1,052,069,860
13.2 Stocks	22,224,546	115,725,614
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	379,347	506,034
13.6 Miscellaneous applications	8,503,054	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	186,433,915	1,168,301,508
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(6,161,406)	13,966,746
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(35,019,867)	(19,360,403)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(35,019,867)	(19,360,403)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(5,712,979)	16,223,381
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	22,184,795	5,961,414
19.2 End of period (Line 18 plus Line 19.1)	16,471,816	22,184,795

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION										
	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	928,875	45,421	397,892	5,833	0	16,825	347,426	5	0	115,473
2 First Quarter	908,469	47,063	396,360	5,696		20,532	350,245	65		88,508
3 Second Quarter	0									
4 Third Quarter	0									
5 Current Year	0									
6 Current Year Member Months	2,714,124	139,010	1,188,266	17,209		57,939	1,046,243	196		265,261
Total Member Ambulatory Encounters for Period:										
7. Physician	1,104,609	53,723	473,538	13,084			564,250			14
8. Non-Physician	170,168	7,703	69,354	1,895			91,216			
9. Total	1,274,777	61,426	542,892	14,979	0	0	655,466	0	0	14
10. Hospital Patient Days Incurred	39,155	1,514	13,330	1,456			22,855			
11. Number of Inpatient Admissions	9,503	348	3,724	263			5,168			
12. Health Premiums Written	802,159,131	34,657,944	358,167,551	3,775,182		17,861,804	382,946,582	238,824		4,511,244
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	802,159,131	34,657,944	358,167,551	3,775,182		17,861,804	382,946,582	238,824		4,511,244
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	684,316,050	27,986,531	290,254,489	2,858,585		11,825,189	350,157,225	55,909		1,178,122
18. Amount Incurred for Provision of Health Care Services	709,910,191	27,707,891	296,993,689	3,060,545		12,540,149	368,384,705	55,890		1,167,322

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$238,824

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UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	71,175,213	197,963,876	20,417,049	83,924,542	91,592,262	99,985,836
2. Medicare Supplement	2,971,871	3,477,356	731,587	3,532,279	3,703,458	3,931,879
3. Dental Only	1,714,617	4,146,567	287,691	2,082,102	2,002,308	2,050,704
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	121,900,263	228,256,962	28,519,024	151,485,640	150,419,287	161,777,184
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid					0	0
8. Other Health	1,174,880	1,494,906	3,094,291	882,843	4,269,171	3,851,186
9. Health Subtotal (Lines 1 to 8)	198,936,844	435,339,667	53,049,642	241,907,406	251,986,486	271,596,789
10. Healthcare receivables (a)		19,995,550			0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals	198,936,844	415,344,117	53,049,642	241,907,406	251,986,486	271,596,789

(a) Excludes \$32,827,858 loans and advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed practices by the District of Columbia. The Company does not utilize any permitted practices.

For the three months ending March 31, 2009 and 2008, there were no differences in net income and surplus between NAIC SAP and practices prescribed by the District of Columbia.

B. Use of Estimates in the Preparation of the Financial Statements

No change.

C. Accounting Policy

No change.

2. Accounting Changes and Corrections of Errors

No change.

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

No change.

5. Investments

No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

No change.

7. Investment Income

No change.

8. Derivative Instruments

No change.

9. Income Taxes

The components of the net deferred tax asset recognized in the Company’s Assets, Liabilities, and Capital and Surplus are as follows:

				Mar. 31, 2009	Dec. 31, 2008
Total of gross deferred tax assets				\$156,899,608	\$147,802,812
Total of deferred tax liabilities				(4,230,154)	(2,243,465)
Net deferred tax asset				152,669,454	145,559,347
Deferred tax asset nonadmitted				(141,558,441)	(136,664,227)
Net admitted deferred tax asset				11,111,013	8,895,120
(Increase) decrease in nonadmitted asset				(\$4,894,214)	\$(132,890,864)

The provisions for incurred taxes on earnings:

	Mar 31, 2009	Mar 31, 2008	Dec 31, 2008
Federal provision	3,878,947	3,236,003	3,066,372
Federal income tax on net capital gains	17,815	261,807	4,504,957
Federal income taxes incurred	3,896,762	3,497,810	7,571,329

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

NOTES TO FINANCIAL STATEMENTS

	Mar. 31, 2009	Dec. 31, 2008
Deferred tax assets:		
Accounts Receivable	\$2,305,747	\$2,211,855
Investments	4,776,205	4,883,090
Benefit Obligations	15,680,221	15,446,956
Accrued Expenses	5,692,619	5,359,587
Unpaid Claims	2,953,176	2,765,134
AMT Credits	108,230,741	108,230,741
Nonadmitted deferred tax assets and other	17,260,899	8,905,449
Total deferred tax assets	156,899,608	147,802,812
Nonadmitted deferred tax assets	(141,558,441)	(136,664,227)
Admitted deferred tax assets	15,341,167	11,138,585
Deferred tax liabilities:		
FAS 115	0	0
Other	(4,230,154)	(2,243,465)
Total deferred tax liabilities	(4,230,154)	(2,243,465)
Net Admitted deferred tax assets	\$11,111,013	\$8,895,120

The change in net deferred income taxes is comprised of the following:

	Mar. 31, 2009	Dec. 31, 2008	Change
Total deferred tax assets	\$156,899,608	\$147,802,812	\$9,096,796
Total deferred tax liabilities	4,230,154	2,243,465	1,986,689
Net deferred tax asset(liability)	\$152,669,454	\$145,559,347	7,110,107
Tax effect of unrealized gains(losses)			(5,003,806)
Change in net deferred income tax			\$2,106,301

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows: principally as a result of 833(b) deduction, mark-up for intercompany services, changes in tax contingency reserves and valuation allowance.

The Company has accumulated Alternative Minimum Tax (AMT) credits of approximately \$108,231,000 at March 31, 2009. The credits can be used, in certain circumstances, to offset future regular tax.

The Company is included in a consolidated federal income tax return of CareFirst, Inc. The Company has a written agreement, which sets forth the manner in which the total combined federal income tax is allocated to each entity, which is a party to the consolidation. The agreement calls for an allocation based on the Company's pre-tax income after affecting for permanent differences at the alternative minimum tax rates. The federal tax allocation for both 2009 and 2008 was 20 percent of pre-tax income after permanent differences. These amounts are included in provision for income taxes in the accompanying statements of revenue and expenses –statutory basis.

Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

10. Information Concerning Parent, Subsidiaries and Affiliates

Group Hospitalization and Medical Services, Inc. (GHMSI or the Company) is a not-for-profit company that provides a comprehensive array of health insurance and managed care products and services primarily through indemnity health insurance, health maintenance organization coverage and health benefits administration. Other products and services include preferred provider and point-of-service networks, third-party administrator services and other managed care services. These products and services are provided to individuals, businesses and governmental agencies primarily in the Washington, D.C. metropolitan area.

The Company and CareFirst of Maryland, Inc. (CFMI) are both affiliates of a not-for-profit parent company, CareFirst, Inc. (CFI). These affiliates do business as CareFirst BlueCross BlueShield. The Company and CFMI also hold a 40% and 60% interest, respectively, in a health maintenance organization subsidiary, CareFirst BlueChoice, Inc. (CFBC). Since control over CFBC operations is vested in CFI, the Company has determined that neither the Company nor CFMI exercise control over CFBC.

Certain business has been written by CFMI and GHMSI which represents contracts outside the historic CFMI and GHMSI service areas (cross-jurisdictional sales). The Boards of CFI, CFMI and GHMSI approved redistribution of earnings between CFMI and GHMSI related to cross-jurisdictional sales. The income from operations from this cross-jurisdictional business would be transferred via a quota share reinsurance contract from the company that earned them to the company in whose service area they were earned. The Company received regulatory approval for these earnings redistributions, effective January 1, 2008.

The Boards of CFI, CFMI, and GHMSI approved earnings redistributions to evenly share changes in the statutory surplus of CFBC. In 2008, the Boards approved in principle the creation of a new holding company, CareFirst Holdings, LLC. (CHC), which would be owned 50%/50% by CFMI and GHMSI, respectively. Following regulatory approval, the establishment of CHC would satisfy the earning redistributions of CFBC.

11. Debt

NOTES TO FINANCIAL STATEMENTS

Not applicable.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

No change.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

Change in net unrealized capital gains (losses) for the three months ending March 31, 2009:

Change in the unrealized gain/losses from:	Change
Affiliated Common Stocks:	
Blue Choice (40%)	\$ 2,220,976
NCIA	65,964
NCAS	(45,122)
Unaffiliated Common Stocks	(12,641,856)
Bonds & Preferred Stocks	(1,654,734)
Total unrealized gains/loss	(12,054,772)
Capital Gains Deferred tax	5,003,807
Change in net unrealized capital gains (losses) less capital gains tax (Page 5 Ln 36)	\$ (7,050,965)

14. Contingencies

Beginning in 1999, a series of class action lawsuits were filed against virtually all major entities in the health benefits business, including BCBSA and the BCBSA licensees. The suits allege that over a course of years the defendants have conspired to use criteria and standards for adjudication of provider claims that result in underpayment of provider claims. They allege that the defendants have been involved in a conspiracy to make false representations to providers and to conceal material information from providers about the manner in which claims are adjudicated. The Plaintiffs assert that the alleged misconduct violates the Racketeer Influenced and Corrupt Organizations Act (RICO). Plaintiffs seek treble damages and injunctive relief under RICO. The Company continues to maintain that the assertions made in this action are completely without foundation but, for entirely practical purposes, has reached an agreement in principle with the Plaintiffs. The court order related to this lawsuit was signed on April 19, 2008. The court order did not include a specific settlement date as an appeal was submitted by several physicians.

Effective November 2, 2006, the contract of the President and Chief Executive Officer (CEO) of CFI, CFMI and GHMSI was terminated by mutual agreement with the Boards of those various entities. The amount to be paid in severance, pension and other payments resulting from his separation is subject to review and approval by the MIA and may be subject to review and approval by the District of Columbia Department of Insurance, Securities and Banking. Pursuant to a hearing, the Insurance Commissioner for the State of Maryland allowed a portion of the proposed payment to the former President and CEO and disallowed the remainder. The former President and CEO has appealed the Insurance Commissioner's decision to the Circuit Court of Maryland and initiated an independent action under the Employee Retirement Income Security Act of 1974, as amended (ERISA) in Federal Court to compel full payment. The federal court dismissed the ERISA action thus requiring the former President and CEO to seek remedy in state court. The former President and CEO is also maintaining an action against CFI to compel full payment under his contract. In 2008, the Company paid the amount authorized by the Maryland Insurance Commissioner.

In June 2008, the District of Columbia's City Council Committee on Public Services and Consumer Affairs (D.C. City Council) launched an investigation of and issued a subpoena to GHMSI and CFI regarding various items including the accumulation of statutory surplus, rate setting, executive compensation, and community benefits. CFI has responded to the D.C. City Council and is providing the information requested. In December 2008, the D.C. City Council passed legislation giving the District of Columbia's Insurance Commissioner authority to cap GHMSI's statutory reserves attributable to the District of Columbia and compel the offering of an expanded open enrollment product in the District of Columbia.

During 2008, the Company made a commitment to fund a limited partnership in the amount of \$7,500,000. The amount of the unfunded commitment was \$6,615,000 at March 31, 2009. The Company anticipates that the additional amount will be invested in the limited partnership over the next five years.

15. Leases

No change.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The results from operations of uninsured ASC plans and the uninsured portion of partially insured plans were as follows for the three-month periods ending March 31, 2009 and 2008:

	March 31, 2009	March 31, 2008
Gross reimbursement for medical costs incurred	\$ 257,120,000	\$ 242,977,000
Gross administrative fees accrued	19,823,000	16,663,000
Gross expenses incurred	(280,838,000)	(262,841,000)
Operating gain or (loss), before stop loss	(3,895,000)	(3,201,000)
Stop loss, net	2,750,000	2,511,000
Proforma operating gain or (loss)	\$ (1,145,000)	(690,000)

The stop loss amount reported represents stop loss written for the ASC business shown above. For the three months-ending March 31, 2009, GHMSI ceded an ASC underwriting loss of \$1,911,000 to CFMI and assumed an ASC underwriting loss of \$488,000 from CFMI for a net underwriting gain of \$1,423,000.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

20. Other Items

No change.

21. Events Subsequent

Not applicable.

22. Reinsurance

Effective January 1, 2006, FirstCare, Inc. (FirstCare), a wholly-owned subsidiary of CFS Health Group, Inc. (CFS), which in turn is a wholly-owned subsidiary of CFMI, began serving as a plan sponsor offering Medicare Part D prescription drug insurance coverage under a contract with the Federal Centers for Medicare and Medicaid Services (CMS). Effective January 1, 2006, the Company entered into a quota-share reinsurance contract with FirstCare. The agreement relates to all Medicare Part D insurance policies written by FirstCare for individuals living in the Company’s service areas. Under the terms of the agreement, the Company assumes all underwriting risk on the business written in its service areas. Therefore, all revenue and expenses related to the Company’s members covered by the quota-share reinsurance contract are included in the accompanying statement of income and changes in capital and surplus—statutory basis for the three months ended March 31, 2009. The Company assumed risk premiums from FirstCare in the amount of \$2,297,000 and incurred an underwriting loss in the amount of \$138,000 for the three months ending March 31, 2009 as a result of the quota-share reinsurance contract with FirstCare.

The Company entered into a quota share cross-jurisdictional reinsurance agreement with CFMI, effective January 1, 2008 (see Note #10). For the three months ending March 31, 2009, the following amounts were assumed from and ceded to CFMI as a result of this reinsurance (*in thousands*):

	March 31, 2009
Premiums assumed	\$ 14,617
Premiums ceded	(101,429)
Premiums, net	(86,812)
Cost of care assumed	13,371
Cost of care ceded	(87,747)
Cost of care, net	(74,376)
General and administrative expenses ceded, net	(15,535)
Net loss ceded to CFMI	\$ 3,099

Note: The amounts above include risk and non-risk business.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No change.

24. Change in Incurred Claims and Claim Adjustment Expenses

NOTES TO FINANCIAL STATEMENTS

Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years has decreased by \$19,610,000 from \$281,718,000 at December 31, 2008 to \$262,108,000 for the three months ending March 31, 2009 as a result of reestimation of unpaid claims and claim adjustment expenses. Original estimates are increased or decreased as additional information becomes known regarding individual claims

25. Intercompany Pooling Arrangements

Not applicable.

26. Structured Settlements

Not applicable.

27. Health Care Receivables

No change.

28. Participating Policies

Not applicable.

29. Premium Deficiency Reserve

Not applicable.

30. Salvage and Subrogation

No change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☒ No ☐

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☒ NA ☐

If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2008
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2003
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/18/2005
- 6.4

By what department or departments?

District of Columbia Department of Insurance, Securities and Banking
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....

Yes ☒ No ☐
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

.....
- 9.2

Has the code of ethics for senior managers been amended?.....

Yes ☐ No ☒
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes ☐ No ☒
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes ☒ No ☐
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐ No ☒
- 11.2

If yes, give full and complete information relating thereto:

.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:\$0
13.

Amount of real estate and mortgages held in short-term investments:\$0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☒ No ☐
- 14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$179,364,063	\$181,605,881
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$179,364,063	\$181,605,881
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$0	\$0
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ☐ No ☐

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
SUNTRUST BANK.....	1445 NEW YORK AVE., WASHINGTON DC 20005.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
15958.....	VANGUARD.....	P.O. BOX 2900, VALLEY FORGE, PA. 19482-2900.....
104596.....	DODGE AND COX.....	55 CALIFORNIA ST., SAN FRANCISCO, CA. 94104.....
107105.....	BLACKROCK INVESTMENT ADVISORS.....	100 BELLEVUE PARKWAY, WASHINGTON DE 19809.....
10578.....	CALAMOS INVESTMENTS.....	1111 WARRENVILLE, NAPERVILLE, IL. 60563-1493.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

Showing All New Reinsurance Treaties - Current Year to Date

[illegible]

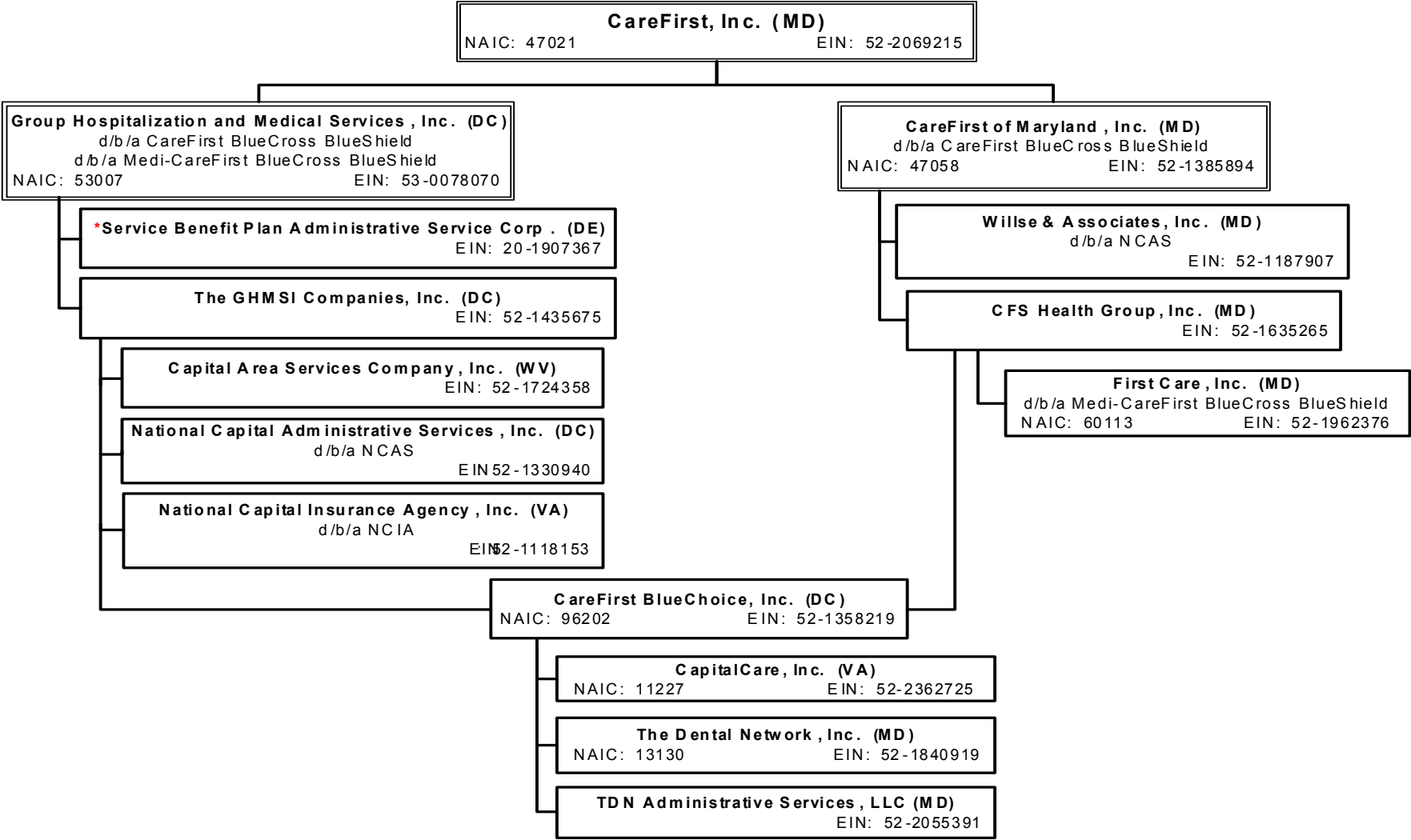
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories										
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
States, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL								0	
2. Alaska	AK								0	
3. Arizona	AZ								0	
4. Arkansas	AR								0	
5. California	CA								0	
6. Colorado	CO								0	
7. Connecticut	CT								0	
8. Delaware	DE								0	
9. District of Columbia	DC	L	111,560,273			382,946,582			494,506,855	
10. Florida	FL								0	
11. Georgia	GA								0	
12. Hawaii	HI								0	
13. Idaho	ID								0	
14. Illinois	IL								0	
15. Indiana	IN								0	
16. Iowa	IA								0	
17. Kansas	KS								0	
18. Kentucky	KY								0	
19. Louisiana	LA								0	
20. Maine	ME								0	
21. Maryland	MD	L	189,352,303	238,824					189,591,127	
22. Massachusetts	MA								0	
23. Michigan	MI								0	
24. Minnesota	MN								0	
25. Mississippi	MS								0	
26. Missouri	MO								0	
27. Montana	MT								0	
28. Nebraska	NE								0	
29. Nevada	NV								0	
30. New Hampshire	NH								0	
31. New Jersey	NJ								0	
32. New Mexico	NM								0	
33. New York	NY								0	
34. North Carolina	NC								0	
35. North Dakota	ND								0	
36. Ohio	OH								0	
37. Oklahoma	OK								0	
38. Oregon	OR								0	
39. Pennsylvania	PA								0	
40. Rhode Island	RI								0	
41. South Carolina	SC								0	
42. South Dakota	SD								0	
43. Tennessee	TN								0	
44. Texas	TX								0	
45. Utah	UT								0	
46. Vermont	VT								0	
47. Virginia	VA	L	118,061,148						118,061,148	
48. Washington	WA								0	
49. West Virginia	WV								0	
50. Wisconsin	WI								0	
51. Wyoming	WY								0	
52. American Samoa	AS								0	
53. Guam	GU								0	
54. Puerto Rico	PR								0	
55. U.S. Virgin Islands	VI								0	
56. Northern Mariana Islands	MP								0	
57. Canada	CN								0	
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX		418,973,724	238,824	0	382,946,582	0	0	802,159,130	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	
61. Total (Direct Business)	(a) 3		418,973,724	238,824	0	382,946,582	0	0	802,159,130	0
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0	0	

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

CareFirst Organizational Chart
Revised March 2009



*Service Benefit Plan Administrative Services Corporation is owned 90% by Group Hospitalization and Medical Services, Inc. and 10% by the Blue Cross and Blue Shield Association.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Statement be filed with the state of domicile and the NAIC with this statement?

.....YES.....

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	672,701	166,667
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		75,000
2.2 Additional investment made after acquisition	379,347	431,034
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	1,052,048	672,701
12. Deduct total nonadmitted amounts	166,667	166,667
13. Statement value at end of current period (Line 11 minus Line 12)	885,381	506,034

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	900,648,858	957,517,259
2. Cost of bonds and stocks acquired	173,132,117	1,167,795,474
3. Accrual of discount	778,257	1,558,517
4. Unrealized valuation increase (decrease)	(12,053,947)	(11,818,724)
5. Total gain (loss) on disposals	4,321,947	11,714,702
6. Deduct consideration for bonds and stocks disposed of	167,385,658	1,182,268,254
7. Deduct amortization of premium	601,725	1,806,980
8. Total foreign exchange change in book/adjusted carrying value		(400,497)
9. Deduct current year's other than temporary impairment recognized	4,233,727	41,642,639
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	894,606,122	900,648,858
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	894,606,122	900,648,858

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	589,007,101	213,206,567	227,231,357	(22,309,583)	552,672,728	0	0	589,007,101
2. Class 2 (a).....	105,053,057	14,980,215	4,628,402	11,492,340	126,897,210	0	0	105,053,057
3. Class 3 (a).....	11,637,566		3,160,535	(1,779,157)	6,697,874	0	0	11,637,566
4. Class 4 (a).....	4,475,249		62,091	(3,711,211)	701,947	0	0	4,475,249
5. Class 5 (a).....	1,527,920		1,799,937	10,884,992	10,612,975	0	0	1,527,920
6. Class 6 (a).....	5,583,074		354,740	959,744	6,188,078	0	0	5,583,074
7. Total Bonds	717,283,967	228,186,782	237,237,062	(4,462,875)	703,770,812	0	0	717,283,967
PREFERRED STOCK								
8. Class 1	2,604,473			(1,817,192)	787,281	0	0	2,604,473
9. Class 2	1,719,179	1,649,010	723,500	(224,300)	2,420,389	0	0	1,719,179
10. Class 3	1,061,750		797,824	793,263	1,057,189	0	0	1,061,750
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	5,385,402	1,649,010	1,521,324	(1,248,229)	4,264,859	0	0	5,385,402
15. Total Bonds & Preferred Stock	722,669,369	229,835,792	238,758,386	(5,711,104)	708,035,671	0	0	722,669,369

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....; NAIC 2 \$.....; NAIC 3 \$.....; NAIC 4 \$.....; NAIC 5 \$.....; NAIC 6 \$.....

SCHEDULE DA - PART 1

Short-Term Investments					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	92,832,498	XXX	92,832,498	192,467	

SCHEDULE DA - VERIFICATION

Short-Term Investments		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	105,823,497	86,001,637
2. Cost of short-term investments acquired	77,279,212	315,755,177
3. Accrual of discount.....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals.....	90,270,210	295,933,318
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	92,832,499	105,823,496
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	92,832,499	105,823,496

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule E Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
3137EA-BY-4	FEDERAL HOME LN MTG CORP		02/18/2009	Various		7,123,974	7,150,000		1
912810-EP-9	UNITED STATES TREAS BDS		02/04/2009	Various		854,007	630,000	21,712	1
912810-PU-6	UNITED STATES TREAS BDS		03/24/2009	VARIOUS		16,490,214	13,500,000	238,674	1
912810-PW-2	UNITED STATES TREAS BDS		01/28/2009	Various		10,905,820	9,000,000	182,965	1
912810-PX-0	UNITED STATES TREAS BDS		01/28/2009	Various		11,161,406	9,000,000	88,384	1
912810-QA-9	UNITED STATES TREAS BDS		03/25/2009	VARIOUS		36,899,120	38,250,000	127,479	1
912828-CV-0	UNITED STATES TREAS NTS		01/15/2009	Various		10,456,433	10,250,000	121,062	1
912828-HR-4	UNITED STATES TREAS NTS		02/26/2009	Various		9,414,140	9,000,000	13,923	1
912828-JR-2	UNITED STATES TREAS NTS		02/04/2009	VARIOUS		3,821,632	3,450,000	22,169	1
912828-KC-3	UNITED STATES TREAS NTS		02/23/2009	Various		700,656	700,000	292	1
912828-KD-1	UNITED STATES TREAS NTS		03/26/2009	Various		2,203,848	2,225,000	3,620	1
912810-EQ-7	US Treasury 6.25%		02/04/2009	Various		400,874	315,000	9,523	1
0399999 - Total	Bonds - U.S. Government					110,432,125	103,470,000	829,803	XXX
312927-GH-4	FHLMC PC GOLD COMB 30		01/09/2009	Various		311,583	296,923	643	1
31410G-5Q-2	FNMA PASS-THRU INT 15 YEAR		01/07/2009	Various		383,106	371,261	980	1
31416B-XR-4	FNMA PASS-THRU LNG 30 YEAR		02/01/2009	Various		3,663,819	3,539,121	5,948	1
3199999 - Total	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of ...					4,358,508	4,207,305	7,571	XXX
00768R-AB-8	AERO 1 HQ FIN TR 4.890% 7/07/		02/26/2009	Various		1,034,880	1,176,000	319	2FE
02586G-AA-0	AMEX ISSUANCE TR 2005-1		01/06/2009	Various		721,000	800,000	681	1FE
031162-AQ-3	AMGEN INC		03/03/2009	Various		486,063	550,000	201	1FE
03760A-AK-7	APOGENT TECHNOLOGIES INC		03/11/2009	Various		1,098,563	900,000	19	2FE
039483-AW-2	ARCHER DANIELS MIDLAND CO		03/11/2009	Various		619,313	675,000	417	1FE
00206R-AR-3	AT&T INC 5.800% 2/15/		01/29/2009	Various		299,067	300,000		1FE
06050B-AG-6	BANK OF AMERICA FDIC GTD TLGP		01/27/2009	Various		549,835	550,000		1FE
075811-AD-1	BECKMAN COULTER INC		03/18/2009	Various		749,861	860,000	5,568	2FE
055451-AG-3	BHP BILLITON FIN USA LTD		03/18/2009	Barclays Capital		1,195,992	1,200,000		1FE
38376H-AA-6	BK OF ENGLAND EURO 2.375% 3/19/		03/10/2009	Various		298,872	300,000		1FE
09247X-AB-7	BLACKROCK INC		03/09/2009	Various		1,608,616	1,400,000	1,881	1FE
12189P-AJ-1	BURLINGTON NORTH SF 2001-1		03/05/2009	Various		1,083,861	1,061,589	10,910	1FE
12189P-AG-7	BURLINGTON NORTHERN SANTA FE 8.25%		01/23/2009	Various		518,386	470,051	1,401	1FE
13342B-AB-1	CAMERON INTERNATIONAL CORP		03/10/2009	Various		858,287	865,000	4,549	2FE
143658-AN-2	CARNIVAL CORP. CONV. 2.00%		03/19/2009	Various		1,365,648	1,510,000	11,944	2FE
144141-CZ-9	CAROLINA PWR & LT CO		01/08/2009	Various		199,816	200,000		1FE
125509-BH-1	CIGNA CORP		02/17/2009	Various		556,455	750,000	12,172	2FE
17313U-AE-9	CITIGROUP INC FDIC GTD TLGP		01/23/2009	Various		723,594	725,000		1FE
224044-BV-8	COX COMMUNICATIONS 8.375% 3/01/		02/12/2009	Various		896,517	900,000		2FE
235851-AF-9	DANAHER CORP ZERO COUPON		03/05/2009	Various		724,538	870,000		1FE
264399-EQ-5	DUKE ENERGY CORP		01/21/2009	Various		324,389	325,000		1FE
268648-AM-4	E M C CORP MASS		03/12/2009	Various		563,074	600,000	2,905	1FE
31428X-AQ-9	FEDEX CORP		01/13/2009	Various		400,000	400,000		2FE
31428X-AR-7	FEDEX CORP		01/13/2009	Various		350,000	350,000		2FE
370334-BH-6	GENERAL MILLS INC 5.650% 2/15/		01/29/2009	Various		167,438	165,000		2FE
36967H-AL-1	GENL ELEC CAP CORP FDIC TLGP		03/09/2009	Various		724,775	725,000		1FE
373334-JN-2	GEORGIA PWR CO		02/04/2009	Various		99,628	100,000		1FE
418056-AN-7	HASBRO INC		03/26/2009	Various		1,453,719	1,150,000	10,515	2FE
42217K-AP-1	HEALTH CARE REIT INC		03/19/2009	Various		649,250	700,000	10,437	2FE
438516-AZ-9	HONEYWELL INTL INC		02/17/2009	Various		224,197	225,000		1FE
458140-AD-2	INTEL CORP		03/12/2009	Various		527,156	675,000	4,982	1FE
59156R-AT-5	METLIFE INC		02/11/2009	Various		200,700	200,000	86	1FE
651639-AJ-5	NEWMONT MINING CORP		02/03/2009	Various		207,975	200,000	190	2FE
651639-AK-2	NEWMONT MINING CORP 3.000% 2/15/		01/28/2009	Various		180,000	180,000		2FE
651639-AH-9	NEWMONT MNG CORP 1.250% 7/15/		03/10/2009	Various		839,772	800,000	990	2FE
652482-BR-0	NEWS AMER INC		02/10/2009	Various		199,888	200,000		2FE
65475V-AC-4	NISSAN AUTO RECV 2009-1		02/19/2009	Barclays Capital		359,961	360,000		1
65476A-AD-7	NISSAN AUTO RECV TALF 2009-A		03/19/2009	Various		259,973	260,000		1FE
66989G-AA-8	NOVARTIS SECS INVEST 5.125% 2/10/		02/04/2009	Various		174,689	175,000		1FE
67021C-AE-7	NSTAR ELEC CO		02/10/2009	Various		418,212	400,000	5,500	1FE
717081-CZ-4	PFIZER INC		03/17/2009	Various		1,597,808	1,600,000		1FE
724479-AH-3	PITNEY BOWES INC		03/02/2009	Various		1,896,599	1,900,000		1FE
742718-DN-6	PROCTER & GAMBLE CO		02/03/2009	Various		299,472	300,000		1FE
771196-AN-2	ROCHE HLDGS INC		02/18/2009	Various		2,064,003	2,075,000		1FE

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
771196-AS-1.....	ROCHE HLDGS INC.....		02/18/2009.....	Various.....		1,353,385	1,375,000		1FE
78442F-EH-7.....	SLM CORP MTN BOOK ENTRY.....		01/28/2009.....	Various.....		276,250	325,000	3,585	2FE
88165F-AA-0.....	TEVA PHARMACEUTICAL FIN CO B.V.....		03/11/2009.....	Various.....		1,228,875	1,150,000	1,841	2FE
88732J-AP-3.....	TIME WARNER CABLE INC.....		03/03/2009.....	Various.....		530,785	500,000	2,674	2FE
88732J-AR-9.....	TIME WARNER CABLE INC.....		03/23/2009.....	Various.....		149,301	150,000		2FE
872540-AL-3.....	TJX COS INC NEW ZERO COUPON.....		03/10/2009.....	Various.....		701,521	875,000		2FE
893526-8Z-9.....	TRANSCANADA CORP.....		01/06/2009.....	Various.....		123,935	125,000		1FE
902118-BL-1.....	TYCO INTL GROUP S.A.....		01/06/2009.....	Various.....		274,992	275,000		2FE
913017-BQ-1.....	UNITED TECHNOLOGIES CORP.....		01/08/2009.....	Various.....		214,794	200,000	851	1FE
92344S-AL-4.....	VERIZON WIRELESS CAP 5.550% 2/01/.....		01/30/2009.....	Various.....		322,910	325,000		1FE
92976W-BH-8.....	WACHOVIA CORP GLOBAL MTN.....		01/08/2009.....	Various.....		358,113	350,000	9,056	1FE
94973V-AR-8.....	WELLPOINT INC.....		02/02/2009.....	Various.....		723,840	725,000		2FE
98385X-AH-9.....	XTO ENERGY INC.....		02/11/2009.....	Barclays Capital.....		86,400	90,000	1,921	2FE
3899999 - Total - Bonds - Industrial, Misc.						36,116,938	36,592,639	105,593	XXX
8399997 - Total - Bonds - Part 3						150,907,570	144,269,944	942,967	XXX
8399999 - Total - Bonds						150,907,570	144,269,944	942,967	XXX
759351-30-7.....	REINSURANCE GROUP AMER INC.....		03/26/2009.....	Various.....	13,310.000	484,865	50.00		RP2LFE
806605-70-5.....	SCHERING PLOUGH CORP.....		03/02/2009.....	Various.....	7,000.000	1,164,145			P2LFE
8499999 - Total - Preferred Stocks - Industrial, Misc.						1,649,010	XXX	0	XXX
8999997 - Total - Preferred Stocks - Part 3						1,649,010	XXX	0	XXX
8999999 - Total - Preferred Stocks						1,649,010	XXX	0	XXX
053611-10-9.....	AVERY DENNISON CORP.....		03/10/2009.....	Exchange.....	30,243.600	575,536			L
9099999 - Total - Common Stocks - Industrial, Misc.						575,536	XXX	0	XXX
922908-88-4.....	VANGUARD INDEX FDS.....		03/06/2009.....	Vanguard Group.....	532,472.588	10,000,000			L
922040-10-0.....	VANGUARD INSTITUTIONAL INDEX FUND.....		03/06/2009.....	Vanguard Group.....	132,325.866	8,500,000			L
921909-80-0.....	VANGUARD STAR FD.....		02/19/2009.....	Vanguard Group.....	245,098.039	1,500,000			L
9299999 - Total - Common Stocks - Mutual Funds						20,000,000	XXX	0	XXX
9799997 - Total - Common Stocks - Part 3						20,575,536	XXX	0	XXX
9799999 - Total - Common Stocks						20,575,536	XXX	0	XXX
9899999 - Total - Preferred and Common Stocks						22,224,546	XXX	0	XXX
9999999 - Totals						173,132,116	XXX	942,967	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For eig n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
3137EA-BS-7..	FEDERAL HOME LN MTG CORP. GNMA PASS-THRU M ADJ		..01/07/2009..	VARIOUS.....		..428,457	..400,000	..399,124	..399,180		..3		..3		..399,183		..29,274	..29,274	..6,325	..09/27/2013..	..1...
36225E-BM-3..	HYBRID GNMA PASS-THRU M SINGLE FAMILY		..03/20/2009..	PRINCIPAL RECEIPT.....		..56,573	..56,573	..54,610	..54,646		..1,927		..1,927		..56,573			..0	..384	..02/20/2037..	..1...
36202E-E9-6..	GNMA PASS-THRU M SINGLE FAMILY		..03/20/2009..	PRINCIPAL RECEIPT.....		..754	..754	..768	..768		..(14)		..(14)		..754			..0	..7	..09/20/2035..	..1...
36202E-QZ-5..	GNMA PASS-THRU M SINGLE FAMILY		..03/20/2009..	PRINCIPAL RECEIPT.....		..42,139	..42,139	..41,981	..41,981		..158		..158		..42,139			..0	..414	..01/20/2038..	..1...
36295N-A6-4..	GNMA PASS-THRU X SINGLE FAMILY		..03/15/2009..	PRINCIPAL RECEIPT.....		..113,891	..113,891	..114,461	..114,465		..(574)		..(574)		..113,891			..0	..1,123	..02/15/2038..	..1...
36225A-4V-9..	GNMA POOL #780836		..03/15/2009..	PRINCIPAL RECEIPT.....		..4,097	..4,097	..4,352	..4,280		..(183)		..(183)		..4,097			..0	..56	..04/15/2020..	..1...
83162C-EV-1..	8.25% 4/15/ SMALL BUS ADMIN GTD DEV		..03/01/2009..	PRINCIPAL RECEIPT.....		..17,142	..17,142	..18,256	..17,745		..(603)		..(603)		..17,142			..0	..506	..09/01/2013..	..1...
83162C-LT-8..	93-201 SMALL BUS ADMIN GTD DEV		..03/01/2009..	PTC. CALLED @ 100.0000000		..54,705	..54,705	..58,398	..57,675		..(2,970)		..(2,970)		..54,705			..0	..1,716	..09/01/2021..	..1...
912810-FP-8..	U. S. TREASURY BONDS		..02/12/2009..	VARIOUS.....		..223,421	..175,000	..227,363	..227,243		..(100)		..(100)		..227,143		..(3,723)	..(3,723)	..4,255	..02/15/2031..	..1...
912810-PU-6..	5.375% UNITED STATES TREAS BDS.		..03/24/2009..	VARIOUS.....		..17,082,598	..13,830,000	..16,839,106	..348,749		..(741)		..(741)		..16,838,223		..244,375	..244,375	..243,004	..05/15/2037..	..1...
912810-PX-0..	UNITED STATES TREAS BDS.		..01/06/2009..	VARIOUS.....		..126,906	..100,000	..117,313	..117,279		..(5)		..(5)		..117,275		..9,632	..9,632	..671	..05/15/2038..	..1...
912810-OA-9..	UNITED STATES TREAS BDS.		..03/27/2009..	VARIOUS.....		..37,625,360	..38,250,000	..36,899,120							..36,899,244		..726,116	..726,116	..127,479	..02/15/2039..	..1...
912828-BV-1..	UNITED STATES TREAS NTS.		..01/15/2009..	MATURITY.....		..7,000,000	..7,000,000	..7,036,938	..7,008,342		..(8,342)		..(8,342)		..7,000,000			..0	..113,750	..01/15/2009..	..1...
912828-CT-5..	UNITED STATES TREAS NTS.		..01/30/2009..	VARIOUS.....		..106,997	..95,000	..100,607	..100,307		..(68)		..(68)		..100,238		..6,759	..6,759	..1,887	..08/15/2014..	..1...
912828-6H-7..	UNITED STATES TREAS NTS.		..02/03/2009..	VARIOUS.....		..527,936	..465,000	..489,993	..488,763		..(213)		..(213)		..488,550		..39,386	..39,386	..10,003	..02/15/2017..	..1...
912828-HR-4..	UNITED STATES TREAS NTS.		..03/18/2009..	VARIOUS.....		..9,921,407	..9,165,000	..9,574,254	..160,318		..(2,185)		..(2,185)		..9,572,273		..349,134	..349,134	..30,592	..02/15/2018..	..1...
912828-HX-1..	UNITED STATES TREAS NTS.		..02/18/2009..	VARIOUS.....		..4,322,037	..4,250,000	..4,343,647	..4,338,002		..(8,751)		..(8,751)		..4,329,251		..(7,215)	..(7,215)	..27,693	..04/30/2010..	..1...
912828-JH-4..	UNITED STATES TREAS NTS.		..02/11/2009..	VARIOUS.....		..1,464,883	..1,320,000	..1,347,900	..1,347,227		..(153)		..(153)		..1,347,074		..117,809	..117,809	..26,538	..08/15/2018..	..1...
912828-JR-2..	UNITED STATES TREAS NTS.		..02/17/2009..	VARIOUS.....		..1,927,660	..1,750,000	..1,947,891					..(1,020)		..1,946,870		..(19,210)	..(19,210)	..13,981	..11/15/2018..	..1...
912828-JT-8..	UNITED STATES TREAS NTS.		..02/18/2009..	VARIOUS.....		..3,800,687	..3,750,000	..3,798,352	..3,797,582		..(1,150)		..(1,150)		..3,796,432		..4,254	..4,254	..16,266	..11/30/2013..	..1...
912828-KC-3..	UNITED STATES TREAS NTS.		..03/11/2009..	VARIOUS.....		..699,862	..700,000	..700,656					..(9)		..700,648		..(786)	..(786)	..665	..02/15/2012..	..1...
83162C-KM-4..	US SMALL BUS ADMIN GTD		..01/01/2009..	PRINCIPAL RECEIPT.....		..3,993	..3,993	..3,993	..3,993				..0		..3,993			..0	..152	..01/01/2020..	..1...
0399999 - Bonds - U.S. Governments						85,551,505	81,543,294	84,119,083	18,628,546	0	(24,869)	0	(24,869)	0	84,055,698	0	1,495,806	1,495,806	627,468	XXX	XXX
31403D-DB-2..	FEDERAL NATL MTG AS		..03/25/2009..	PRINCIPAL RECEIPT.....		..42,428	..42,428	..42,842	..42,819		..(390)		..(390)		..42,428			..0	..491	..06/01/2035..	..1...
3128KC-OJ-9..	6.000% 6/01/ FHLMC GOLD #A50457		..03/15/2009..	PRINCIPAL RECEIPT.....		..34,338	..34,338	..33,646	..33,655		..683		..683		..34,338			..0	..377	..07/01/2036..	..1...
31292H-OP-3..	FHLMC GOLD POOL #C01106.		..03/15/2009..	PRINCIPAL RECEIPT.....		..1,724	..1,724	..1,745	..1,744		..(20)		..(20)		..1,724			..0	..25	..12/01/2030..	..1...
31294J-KE-7..	FHLMC GOLD POOL #E00293.		..03/15/2009..	PRINCIPAL RECEIPT.....		..10,759	..10,759	..11,089	..10,755		..4		..4		..10,759			..0	..119	..04/01/2009..	..1...
31283K-F7-8..	FHLMC GOLD POOL #G11090.		..03/15/2009..	PRINCIPAL RECEIPT.....		..17,048	..17,048	..17,674	..17,387		..(339)		..(339)		..17,048			..0	..172	..02/01/2015..	..1...
3128JW-BB-2..	FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..138,703	..138,703	..135,019	..135,043		..3,660		..3,660		..138,703			..0	..1,105	..08/01/2034..	..1...
3128MT-6K-9..	LIBOR VR FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..83,815	..83,815	..84,902	..84,888		..(1,073)		..(1,073)		..83,815			..0	..1,082	..09/01/2037..	..1...
3128UN-CE-0..	10/20 11 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..73,032	..73,032	..74,093	..74,090		..(1,058)		..(1,058)		..73,032			..0	..917	..09/01/2037..	..1...
31294L-PZ-0..	10/20 11 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..299,283	..299,283	..304,286	..303,593		..(4,310)		..(4,310)		..299,283			..0	..3,513	..12/01/2016..	..1...
31288B-6V-0..	CASH 15 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..250,273	..250,273	..253,792	..253,720		..(3,448)		..(3,448)		..250,273			..0	..2,971	..11/01/2032..	..1...
3128MB-EG-8..	CASH 30 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..139,279	..139,279	..139,818	..139,772		..(493)		..(493)		..139,279			..0	..1,424	..03/01/2022..	..1...
312964-TT-6..	COMB 15 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..12,810	..12,810	..12,866	..12,855		..(45)		..(45)		..12,810			..0	..117	..02/01/2019..	..1...
31283H-6C-4..	COMB 15 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..129,335	..129,335	..131,820	..131,788		..(2,453)		..(2,453)		..129,335			..0	..1,574	..12/01/2032..	..1...
31283H-6D-2..	COMB 30 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..60,493	..60,493	..61,840	..61,807		..(1,314)		..(1,314)		..60,493			..0	..732	..12/01/2031..	..1...
3128KT-L3-2..	COMB 30 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..22,127	..22,127	..22,373	..22,373		..(246)		..(246)		..22,127			..0	..191	..07/01/2037..	..1...
3128M5-HJ-2..	COMB 30 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..47,625	..47,625	..48,087	..48,087		..(462)		..(462)		..47,625			..0	..537	..06/01/2036..	..1...
3128M6-EF-1..	COMB 30 FHLMC PC		..03/15/2009..	PRINCIPAL RECEIPT.....		..17,399	..17,399	..16,508	..16,511		..888		..888		..17,399			..0	..163	..04/01/2038..	..1...
3128M6-M6-2..	COMB 30 FHLMC PC		..01/15/2009..	VARIOUS.....		..288,139	..275,562	..282,452	..282,603		..(129)		..(129)		..282,474		..5,665	..5,665	..2,082	..08/01/2038..	..1...

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
3128M6-RL-4.	FHLMC PC COMB 30. GOLD		03/15/2009.	VARIOUS.....		793,432	769,411	732,864	732,802		1,971		1,971		734,774		58,659	58,659	4,230	06/01/2038.	1.....
312927-6H-4.	FHLMC PC COMB 30. GOLD		03/15/2009.	PRINCIPAL RECEIPT.....		12,068	12,068	12,664			(596)		(596)		12,068			0	107	09/01/2038.	1.....
312929-CN-0.	FHLMC PC COMB 30. GOLD		03/15/2009.	PRINCIPAL RECEIPT.....		13,742	13,742	13,405	13,402		340		340		13,742			0	170	11/01/2038.	1.....
31297H-FF-1.	FHLMC PC COMB 30. GOLD		03/15/2009.	PRINCIPAL RECEIPT.....		7,464	7,464	7,556	7,556		(93)		(93)		7,464			0	79	12/01/2034.	1.....
31349S-C9-2.	FHLMC PC ADJ 30YR. GUAR		03/15/2009.	PRINCIPAL RECEIPT.....		166,105	166,105	160,700	160,698		5,406		5,406		166,105			0	1,156	10/01/2033.	1.....
3128NC-LA-0.	FHLMC PC HYBRD ARM. II		03/15/2009.	PRINCIPAL RECEIPT.....		50,052	50,052	49,311	49,314		738		738		50,052			0	431	09/01/2035.	1.....
3128NH-VA-8.	FHLMC PC HYBRD ARM. II		03/15/2009.	PRINCIPAL RECEIPT.....		352,882	352,882	360,987	361,157		(8,275)		(8,275)		352,882			0	2,854	11/01/2036.	1.....
31290K-VZ-9.	FHLMC POOL #555132.		03/15/2009.	PRINCIPAL RECEIPT.....		2,007	2,007	2,047	2,046		(38)		(38)		2,007			0	23	07/01/2020.	1.....
31340M-UW-3.	FHLMC POOL# 181497.		03/15/2009.	PRINCIPAL RECEIPT.....		2,270	2,270	2,263	2,253		17		17		2,270			0	16	12/01/2009.	1.....
313376-SS-6.	FHLMC REMIC 1832 F 6.5%.		03/15/2009.	PRINCIPAL RECEIPT.....		99,053	99,053	97,765	99,324		(272)		(272)		99,053			0	1,018	03/15/2011.	1.....
31396R-BJ-5.	FHLMC REMIC SERIES 3150.		01/08/2009.	VARIOUS.....		9,806,250	10,000,000	8,789,063	9,127,353		2,626		2,626		9,129,979		676,271	676,271	52,500	05/15/2026.	1.....
31397P-5M-8.	FHLMC REMIC SERIES 3389.		03/15/2009.	PRINCIPAL RECEIPT.....		343,131	343,131	346,562	346,464		(3,333)		(3,333)		343,131			0	3,901	12/15/2035.	1.....
31392W-ZB-0.	FHLMC REMIC SERIES T-051.		03/25/2009.	PRINCIPAL RECEIPT.....		14,846	14,846	15,068	17,520		(2,674)		(2,674)		14,846			0	142	09/25/2043.	1.....
31392M-EM-0.	FHLMC REMIC SERIES T0041.		03/25/2009.	PRINCIPAL RECEIPT.....		12,896	12,896	13,396	12,884		12		12		12,896			0	152	07/25/2032.	1.....
31392D-P9-7.	FNMA 2002-W8 A2 7%.		03/25/2009.	PRINCIPAL RECEIPT.....		9,057	9,057	9,502	9,110		(53)		(53)		9,057			0	94	06/25/2042.	1.....
31359S-R6-9.	FNMA GR TR SERIES 2001-T4 CI A.		03/25/2009.	PRINCIPAL RECEIPT.....		10,895	10,895	11,239	11,008		(113)		(113)		10,895			0	143	07/25/2028.	1.....
31392F-DC-8.	FNMA GRANTOR TRUST 2002-T16.		03/25/2009.	PRINCIPAL RECEIPT.....		56,713	56,713	58,131	58,127		(1,414)		(1,414)		56,713			0	644	07/25/2042.	1.....
31402D-KW-9.	FNMA PASS-THRU ADJ LIBOR.		03/25/2009.	VARIOUS.....		5,353,546	5,245,545	5,116,046	5,115,984		11,183		11,183		5,127,167		226,379	226,379	60,330	08/01/2034.	1.....
31409U-WM-3.	FNMA PASS-THRU ADJ LIBOR.		03/25/2009.	PRINCIPAL RECEIPT.....		28,585	28,585	28,828	28,830		(245)		(245)		28,585			0	308	11/01/2035.	1.....
31411N-P5-0.	FNMA PASS-THRU ADJ LIBOR.		03/25/2009.	PRINCIPAL RECEIPT.....		22,270	22,270	22,228	22,228		42		42		22,270			0	246	02/01/2037.	1.....
31407A-7G-0.	FNMA PASS-THRU ADJ SINGLE.		02/25/2009.	VARIOUS.....		2,461,468	2,432,596	2,388,790	2,389,120		1,518		1,518		2,390,638		70,830	70,830	26,528	07/01/2035.	1.....
31381D-YY-5.	FNMA PASS-THRU GNM-BK MGA 30.		03/25/2009.	PRINCIPAL RECEIPT.....		1,172	1,172	1,187	1,185		(13)		(13)		1,172			0	14	05/20/2023.	1.....
31405F-D5-8.	FNMA PASS-THRU GOV SINGLE FAM.		03/25/2009.	PRINCIPAL RECEIPT.....		16,007	16,007	16,870	16,856		(849)		(849)		16,007			0	276	10/01/2032.	1.....
31385W-ST-2.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		141,203	141,203	143,785	143,427		(2,224)		(2,224)		141,203			0	1,420	12/01/2017.	1.....
31391C-5F-8.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		5,059	5,059	5,050	5,049		10		10		5,059			0	39	09/01/2017.	1.....
31391U-4Q-5.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		242	242	241	241		0		0		242			0	2	02/01/2018.	1.....
31402C-RT-1.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	VARIOUS.....		1,313,952	1,271,452	1,279,398	1,278,108		(1,555)		(1,555)		1,276,553		37,399	37,399	14,294	12/01/2018.	1.....
31402R-D2-2.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		7,892	7,892	7,873	7,872		21		21		7,892			0	61	03/01/2020.	1.....
31403C-ZZ-3.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		4,515	4,515	4,500	4,500		15		15		4,515			0	36	06/01/2020.	1.....
31403D-DK-2.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		211,962	211,962	215,804	215,521		(3,559)		(3,559)		211,962			0	2,156	03/01/2021.	1.....
31403R-KJ-6.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		868	868	866	866		2		2		868			0	7	11/01/2018.	1.....
31410G-5Q-2.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		20,847	20,847	21,460			(613)		(613)		20,847			0	139	03/01/2023.	1.....
31410U-S2-9.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		137,108	137,108	139,149	139,020		(1,912)		(1,912)		137,108			0	1,550	08/01/2021.	1.....
31411A-JN-6.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		181,910	181,910	184,809	184,694		(2,784)		(2,784)		181,910			0	1,801	11/01/2021.	1.....
31414K-TE-0.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		34,743	34,743	34,663	34,663		79		79		34,743			0	308	01/01/2023.	1.....
31414U-AQ-1.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		3,095	3,095	3,088	3,088		7		7		3,095			0	27	06/01/2023.	1.....
31414X-ZC-9.	FNMA PASS-THRU INT 15 YEAR.		03/25/2009.	PRINCIPAL RECEIPT.....		20,761	20,761	20,229	20,233		529		529		20,761			0	180	06/01/2023.	1.....

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)
31415P-WM-6.	FNMA PASS-THRU INT 15 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		21,932	21,932	21,850	21,850		82		82		21,932			0	262	07/01/2023.	1.
31416B-QK-7.	FNMA PASS-THRU INT 15 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		13,632	13,632	13,854	13,854		(222)		(222)		13,632			0	97	12/01/2020.	1.
31371K-2Z-3.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		26,670	26,670	26,552	26,553		117		117		26,670			0	271	03/01/2033.	1.
31371N-H4-0.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		78,292	78,292	82,041	82,045		(3,754)		(3,754)		78,292			0	1,059	08/01/2037.	1.
31376K-TT-3.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		44,849	44,849	44,828	44,830		19		19		44,849			0	455	09/01/2035.	1.
31402Q-WA-5.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		38,571	38,571	37,565	37,571		1,000		1,000		38,571			0	383	01/01/2035.	1.
31402R-AQ-2.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		52,690	52,690	54,110	54,089		(1,399)		(1,399)		52,690			0	641	12/01/2032.	1.
31402R-AS-8.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		46,744	46,744	48,077	48,087		(1,343)		(1,343)		46,744			0	560	03/01/2035.	1.
31402R-H2-8.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		25,728	25,728	25,967	25,961		(233)		(233)		25,728			0	294	12/01/2032.	1.
31403C-6L-0.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		52,928	52,928	54,200	54,206		(1,278)		(1,278)		52,928			0	484	02/01/2036.	1.
31405X-C6-8.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		3,860	3,860	3,849	3,849		11		11		3,860			0	37	11/01/2034.	1.
31408H-3H-6.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		18,203	18,203	18,007	18,008		196		196		18,203			0	190	02/01/2036.	1.
31410F-2Q-7.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		4,078	4,078	4,068	4,068		10		10		4,078			0	36	08/01/2034.	1.
31410F-5D-3.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		57,843	57,843	55,941	55,947		1,896		1,896		57,843			0	499	10/01/2035.	1.
31410F-T6-2.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		6,253	6,253	6,215	6,215		39		39		6,253			0	61	02/01/2035.	1.
31410G-KA-0.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		25,960	25,960	25,106	25,109		851		851		25,960			0	248	12/01/2036.	1.
31410K-NH-3.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		28,727	28,727	28,179	28,181		546		546		28,727			0	287	05/01/2038.	1.
31410K-WP-5.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	VARIOUS.		812,103	807,429	814,872	814,910		(215)		(215)		814,694		(2,592)	(2,592)	6,825	09/01/2038.	1.
31410Q-NP-2.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		16,029	16,029	16,455	16,457		(428)		(428)		16,029			0	150	10/01/2036.	1.
31410V-MB-3.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		642	642	657	658		(15)		(15)		642			0	6	01/01/2037.	1.
31411Y-WC-3.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		535	535	547	548		(13)		(13)		535			0	5	06/01/2037.	1.
31412L-G4-6.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		11,711	11,711	11,989	11,993		(282)		(282)		11,711			0	164	04/01/2037.	1.
31413U-TP-4.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		22,451	22,451	22,998	23,000		(549)		(549)		22,451			0	218	12/01/2037.	1.
31414H-KB-2.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		45,695	45,695	46,838	46,844		(1,149)		(1,149)		45,695			0	592	01/01/2038.	1.
31414R-NH-4.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		17,469	17,469	17,001	17,002		467		467		17,469			0	159	03/01/2038.	1.
31414T-SA-0.	FNMA PASS-THRU LNG 30 YEAR		01/25/2009.	VARIOUS.		1,700,370	1,638,986	1,654,351	1,654,382		(87)		(87)		1,654,294		46,075	46,075	9,513	04/01/2038.	1.
31415C-LL-9.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		14,777	14,777	14,381	14,382		395		395		14,777			0	145	05/01/2038.	1.
31416B-XR-4.	FNMA PASS-THRU LNG 30 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		75,002	75,002	77,645			(2,643)		(2,643)		75,002			0	344	08/01/2037.	1.
31416J-FT-3.	FNMA PASS-THRU LNG 10 YEAR		03/25/2009.	PRINCIPAL RECEIPT.		33,896	33,896	34,105	34,106		(210)		(210)		33,896			0	303	06/01/2038.	1.
31371M-6M-4.	7-10YR FNMA PASS-THRU LNG 10		02/25/2009.	VARIOUS.		1,213,984	1,186,745	1,167,599	1,167,936		477		477		1,168,412		45,572	45,572	12,786	01/01/2037.	1.
31371N-LS-2.	7-10YR FNMA PASS-THRU LNG 10		03/25/2009.	PRINCIPAL RECEIPT.		65,192	65,192	66,383	66,419		(1,228)		(1,228)		65,192			0	718	10/01/2037.	1.
31371N-T5-4.	7-10YR FNMA PASS-THRU LNG 10		02/25/2009.	VARIOUS.		1,646,698	1,609,621	1,608,455	1,608,472		(12)		(12)		1,608,460		38,238	38,238	17,353	04/01/2038.	1.
31413Q-PD-4.	7-10YR		03/25/2009.	PRINCIPAL RECEIPT.		215,373	215,373	221,632	221,789		(6,416)		(6,416)		215,373			0	2,374	10/01/2037.	1.

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31414T-F9-7.	FNMA PASS-THRU LNG 10 7-10YR.		02/25/2009.	VARIOUS.		98,762	96,600	96,585	96,586		(3)		(3)		96,583		2,178	2,178	1,026	03/01/2038.	1.
31385J-HW-1.	FNMA PASS-THRU MEGA MULTI 7.		03/25/2009.	PRINCIPAL RECEIPT.		852	852	882	870		(18)		(18)		852			0	9	07/01/2012.	1.
31385X-HZ-3.	FNMA PASS-THRU MEGA MULTI 7.		03/25/2009.	PRINCIPAL RECEIPT.		5,815	5,815	5,654	5,677		139		139		5,815			0	47	06/01/2013.	1.
31402C-SS-7.	FNMA PASS-THRU MEGA MULTI 7.		03/25/2009.	PRINCIPAL RECEIPT.		1,638	1,638	1,581	1,595		43		43		1,638			0	13	04/01/2014.	1.
31403D-GP-8.	FNMA PASS-THRU MEGA MULTI 7.		03/25/2009.	PRINCIPAL RECEIPT.		3,158	3,158	3,276	3,270		(112)		(112)		3,158			0	32	02/01/2016.	1.
31402D-FV-7.	FNMA PASS-THRU INT 15 YEAR 725680.		03/25/2009.	PRINCIPAL RECEIPT.		73,543	73,543	77,307	76,306		(2,763)		(2,763)		73,543			0	857	07/01/2017.	1.
31378H-UH-2.	FNMA Passthru Pool # 399384		03/25/2009.	PRINCIPAL RECEIPT.		7,878	7,878	8,060	7,941		(63)		(63)		7,878			0	98	09/01/2012.	1.
31371K-T9-2.	FNMA POOL #254476 5.5%		03/25/2009.	PRINCIPAL RECEIPT.		46,080	46,080	46,224	46,204		(124)		(124)		46,080			0	457	09/01/2032.	1.
31384V-ML-3.	FNMA Pool #535063 6.50%		03/25/2009.	PRINCIPAL RECEIPT.		23,316	23,316	24,052	23,712		(395)		(395)		23,316			0	249	12/01/2014.	1.
31385W-UE-7.	FNMA Pool #555081 6.329%		03/25/2009.	PRINCIPAL RECEIPT.		5,945	5,945	6,509	6,157		(212)		(212)		5,945			0	67	03/01/2012.	1.
31387D-3Q-0.	FNMA Pool #581407		03/25/2009.	PRINCIPAL RECEIPT.		2,033	2,033	2,068	2,066		(33)		(33)		2,033			0	34	06/01/2031.	1.
31405P-LQ-1.	FNMA Pool #795135		03/25/2009.	PRINCIPAL RECEIPT.		25,693	25,693	25,074	25,081		612		612		25,693			0	194	10/01/2034.	1.
31410F-UC-7.	4.602% 10/01/ FNMA Pool #888079		03/25/2009.	PRINCIPAL RECEIPT.		113,943	113,943	116,530	116,374		(2,431)		(2,431)		113,943			0	1,362	10/01/2026.	1.
31410G-TM-5.	6.500% 10/01/ FNMA Pool #888956		03/25/2009.	PRINCIPAL RECEIPT.		134,376	134,376	136,906	136,882		(2,506)		(2,506)		134,376			0	1,533	03/01/2036.	1.
31410K-BE-3.	6.000% 3/01/ FNMA Pool #889337		03/25/2009.	PRINCIPAL RECEIPT.		134,376	134,376	136,906	136,882		(2,506)		(2,506)		134,376			0	1,533	03/01/2036.	1.
31410K-BE-3.	5.500% 4/01/ FNMA Pool #889659		02/25/2009.	VARIOUS.		735,696	719,257	718,246	718,245		14		14		718,259		17,437	17,437	7,753	04/01/2038.	1.
31410K-MG-6.	5.000% 12/01/ FNMA Pool #889886		03/25/2009.	PRINCIPAL RECEIPT.		41,336	41,336	39,789	39,799		1,537		1,537		41,336			0	377	12/01/2036.	1.
31410K-UK-8.	7.000% 12/01/ FNMA Pool #889886		03/25/2009.	PRINCIPAL RECEIPT.		271,692	271,692	284,427	284,448		(12,756)		(12,756)		271,692			0	3,507	12/01/2037.	1.
31374S-6A-4.	FNMA Pool 323165 6.0%		03/25/2009.	PRINCIPAL RECEIPT.		7,342	7,342	7,669	7,497		(155)		(155)		7,342			0	74	06/01/2013.	1.
31374T-PG-8.	FNMA Pool 323623 6.0%		03/25/2009.	PRINCIPAL RECEIPT.		14,397	14,397	14,813	14,606		(209)		(209)		14,397			0	149	03/01/2014.	1.
31384V-NW-8.	FNMA POOL 535105 5.00%		03/25/2009.	PRINCIPAL RECEIPT.		5,294	5,294	4,898	5,259		35		35		5,294			0	38	04/01/2009.	1.
31387H-3W-8.	FNMA Pool 585013.		03/25/2009.	PRINCIPAL RECEIPT.		4,446	4,446	4,627	4,519		(73)		(73)		4,446			0	46	06/01/2014.	1.
31394U-ZK-1.	FNMA REMIC		03/25/2009.	PRINCIPAL RECEIPT.		25,915	25,915	26,407	26,287		(372)		(372)		25,915			0	235	10/25/2032.	1.
31359V-GF-4.	6.000% 10/25/ FNMA REMIC TR 1999-1.		03/25/2009.	PRINCIPAL RECEIPT.		158,564	158,564	164,634	165,655		(7,091)		(7,091)		158,564			0	1,914	02/25/2029.	1.
31392E-S8-4.	FNMA REMIC TRUST 2002-W6.		03/25/2009.	PRINCIPAL RECEIPT.		46,790	46,790	46,731	46,734		56		56		46,790			0	439	08/25/2042.	1.
31392D-H7-0.	FNMA REMIC TRUST 2002-W6.		03/25/2009.	PRINCIPAL RECEIPT.		17,591	17,591	19,295	18,259		(669)		(669)		17,591			0	215	06/25/2042.	1.
31395N-U4-7.	FNMA REMIC TRUST 2006-59.		03/25/2009.	PRINCIPAL RECEIPT.		546,625	546,625	549,359	549,918		(3,293)		(3,293)		546,625			0	6,966	02/25/2029.	1.
31395B-5P-4.	FNMA REMIC TRUST 2006-W1.		03/25/2009.	PRINCIPAL RECEIPT.		180,293	180,293	171,955	171,605		8,688		8,688		180,293			0	182	02/25/2046.	1.
31397L-NJ-4.	FNMA REMIC TRUST 2008-40.		03/25/2009.	PRINCIPAL RECEIPT.		179,329	179,329	182,775	182,460		(3,132)		(3,132)		179,329			0	2,102	03/25/2031.	1.
38375J-B7-9.	GNMA REMIC TRUST 2007-18.		01/20/2009.	PRINCIPAL RECEIPT.		24,463	24,463	24,264	24,264		200		200		24,463			0		05/20/2035.	1.
38375J-M9-3.	GNMA REMIC TRUST 2007-27.		03/20/2009.	PRINCIPAL RECEIPT.		91,472	91,472	91,644	91,603		(130)		(130)		91,472			0	771	09/20/2036.	1.
38374D-GW-3.	GNMA REMIC TRUST 2007-80.		03/16/2009.	PRINCIPAL RECEIPT.		518,495	518,495	523,859	523,496		(5,001)		(5,001)		518,495			0	4,643	07/16/2037.	1.
78444G-AA-2.	2008-3.		01/25/2009.	PRINCIPAL RECEIPT.		92,173	92,173	90,553	90,675		1,498		1,498		92,173			0	940	01/25/2014.	1.
3199999 -	Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...					33,332,508	33,161,314	31,835,208	32,059,362	0	(60,733)	0	(60,733)	0	32,110,397	0	1,222,111	1,222,111	288,821	XXX	XXX
88579E-AB-1.	3M CO MEDIUM TERM NTS BK ENTRY.		02/25/2009.	VARIOUS.		1,026,000	1,000,000	999,560	999,868		23		23		999,891		26,109	26,109	15,802	11/06/2009.	1FE.
02148H-AR-2.	ALTERNATIVE LOAN TR 6.000% 11/25/		03/25/2009.	PRINCIPAL RECEIPT.		24,375	24,375	24,604	24,600		(225)		(225)		24,375			0	204	11/25/2036.	1FE.
026874-BR-7.	AMERICAN INTL GROUP INC.		01/07/2009.	Barclays Capital		67,313	150,000	150,253	150,252		0		0		150,252		(82,940)	(82,940)	1,942	05/15/2068.	2FE.
05949C-CA-2.	BA MTG SECS INC 2005-F.		03/25/2009.	PRINCIPAL RECEIPT.		64,784	64,784	58,305	59,049		5,735		5,735		64,784			0	548	07/25/2035.	1FE.
07388D-AC-2.	BEAR STEARNS ARM TR 2006-2.		03/25/2009.	PRINCIPAL RECEIPT.		10,657	10,657	10,397	10,382		275		275		10,657			0	79	07/25/2036.	1FE.
110122-AP-3.	BRISTOL MYERS SQUIBB CO.		03/06/2009.	VARIOUS.		993,000	1,000,000	1,023,590	1,023,224		(62)		(62)		1,023,162		(30,162)	(30,162)	18,931	11/15/2036.	1FE.
12189P-AG-7.	BURLINGTON NORTHERN		01/15/2009.	Sink PMT @ 100.0000000.		31,434	31,434	31,434	31,434		0		0		31,434			0	1,297	01/15/2021.	1FE.
161571-CH-5.	SANTA FE 8.25% CHASE ISSUANCE TRUST		02/23/2009.	VARIOUS.		703,500	700,000	699,983	699,986		1		1		699,987		3,513	3,513	7,068	10/15/2014.	1FE.
161571-CW-2.	2007-17A CHASE ISSUANCE TRUST		02/09/2009.	VARIOUS.		603,000	600,000	599,922	599,937		3		3		599,940		3,060	3,060	4,047	05/15/2013.	1FE.

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Design- ation or Market Indicator (a)
16162W-HL-6..	CHASE MORTGAGE FIN CO 2004-S1.....		03/25/2009..	PRINCIPAL RECEIPT.....		29,384	29,384	28,401	28,549		835		835		29,384			0	230	02/25/2019..	1FE...
161630-AQ-1..	CHASE MORTGAGE FIN TR 2007-A1.....		03/25/2009..	PRINCIPAL RECEIPT.....		143,382	143,382	139,618	139,644		3,738		3,738		143,382			0	1,072	02/25/2037..	1FE...
12560P-EX-5..	CIT GROUP HLDGS INC MTN BE.....		02/04/2009..	VARIOUS.....		1,500,000	1,500,000	1,401,000	1,420,136		1,926		1,926		1,422,061		77,939	77,939	1,378	08/06/2012..	1FE...
172973-A6-6..	CITICORP MORTGAGE SECS 2004-S.....		01/25/2009..	VARIOUS.....		182,949	187,612	183,801	182,453		109		109		182,562		387	387	1,063	08/25/2034..	1FE...
17312K-AQ-5..	CITICORP MTG SEC REMIC 2007-S.....		03/25/2009..	PRINCIPAL RECEIPT.....		19,027	19,027	16,458	16,569		2,458		2,458		19,027			0	145	06/25/2037..	1FE...
172967-CU-3..	CITIGROUP INC.....		03/11/2009..	VARIOUS.....		368,688	400,000	386,740	396,216		586		586		396,802		(28,115)	(28,115)	9,149	02/22/2010..	1FE...
20046P-AB-4..	COMM 2000-C1.....		03/15/2009..	PRINCIPAL RECEIPT.....		23,930	23,930	25,745	24,600		(670)		(670)		23,930			0	182	08/15/2033..	1FE...
22238H-GQ-7..	COUNTRYWIDE FINL CO 5.800% 6/07/.....		02/18/2009..	VARIOUS.....		379,608	400,000	369,000	370,679		869		869		371,547		8,061	8,061	4,551	06/07/2012..	1FE...
225458-UE-6..	CSFB MTG PTC 2005-S.....		03/25/2009..	PRINCIPAL RECEIPT.....		13,444	13,444	13,599	13,588		(144)		(144)		13,444			0	157	07/25/2035..	1FE...
12668A-Z3-2..	CWALT INC 5.500% 12/25/.....		03/25/2009..	PRINCIPAL RECEIPT.....		17,186	17,186	17,244	17,246		(60)		(60)		17,186			0	132	12/25/2035..	1FE...
12667G-UG-6..	CWALT INC 2005-29CB.....		03/25/2009..	PRINCIPAL RECEIPT.....		81,470	81,470	64,565	64,710		16,759		16,759		81,470			0	720	07/25/2035..	1FE...
12668A-N2-7..	CWALT INC 2005-69.....		03/25/2009..	PRINCIPAL RECEIPT.....		6,319	6,319	4,419	4,452		1,866		1,866		6,319			0	29	12/25/2035..	1FE...
12668A-H7-3..	CWALT INC 2005-71.....		03/25/2009..	PRINCIPAL RECEIPT.....		118,132	118,132	29,890	29,890		339		339		30,229			0	915	01/25/2036..	4FE...
02146T-AA-5..	CWALT INC 2006-24CB.....		03/25/2009..	PRINCIPAL RECEIPT.....		46,422	46,422	45,457	45,471		950		950		46,422		87,903	87,903	391	08/25/2036..	1FE...
02148Y-AC-8..	CWALT INC 2006-42.....		03/25/2009..	PRINCIPAL RECEIPT.....		265,422	265,422	243,525	204,492	39,867	21,064		60,931		265,422			0	2,223	01/25/2047..	4FE...
02151A-AJ-9..	CWALT INC 2007-19.....		03/25/2009..	PRINCIPAL RECEIPT.....		73,236	73,236	46,505	43,272	5,011	24,953		29,964		73,236			0	609	08/25/2037..	6FE...
02149V-AU-3..	CWALT INC 2007-3T1.....		03/25/2009..	PRINCIPAL RECEIPT.....		251,276	251,276	238,084	178,250	58,759	14,267		73,026		251,276			0	3,100	03/25/2027..	6FE...
02147L-AL-7..	CWALT INC RESECURE 2006- 22R.....		03/25/2009..	PRINCIPAL RECEIPT.....		184,014	184,014	185,192	185,888		(1,875)		(1,875)		184,014			0	1,782	05/25/2036..	1FE...
126694-HM-3..	CWMBIS INC 2005-25.....		03/25/2009..	PRINCIPAL RECEIPT.....		82,482	82,482	81,863	81,841		640		640		82,482			0	950	11/25/2035..	1FE...
23322B-GB-8..	CG3.....		03/10/2009..	PRINCIPAL RECEIPT.....		170,551	170,551	182,910	182,188		(11,637)		(11,637)		170,551			0	1,775	10/10/2032..	1FE...
264399-EQ-5..	DUKE ENERGY CORP.....		01/23/2009..	VARIOUS.....		329,287	325,000	324,389					0				4,898	4,898	96	02/01/2014..	1FE...
263534-BJ-7..	DUPONT 6.875%.....		01/07/2009..	VARIOUS.....		1,038,750	1,000,000	1,038,220	1,004,351		(89)		(89)		1,004,262		34,488	34,488	16,615	10/15/2009..	1FE...
31331F-AJ-9..	FEDERAL EXPRESS 6.72% Sink PMT @ 100.0000000.....		01/15/2009..	Sink PMT @ 100.0000000.....		41,452	41,452	45,289		(3,837)			(3,837)		41,452			0	1,393	01/15/2022..	1FE...
32051G-XQ-3..	FIRST HORIZON MTG TR 2005-ARS.....		03/25/2009..	PRINCIPAL RECEIPT.....		68,443	68,443	61,599	62,218		6,225		6,225		68,443			0	567	11/25/2035..	1FE...
36962G-3U-6..	GENERAL ELEC CAP CORP MTN BE.....		02/04/2009..	Barclays Capital.....		448,626	490,000	488,692	488,760		9		9		488,769		(40,144)	(40,144)	7,331	05/01/2018..	1FE...
36962G-T3-8..	GENERAL ELEC CAP CORP MTN BE.....		03/12/2009..	Barclays Capital.....		163,625	175,000	174,216	174,592		26		26		174,618		(10,993)	(10,993)	2,965	11/15/2011..	1FE...
361849-KN-1..	GMAC COML MTG SECS 2000- C1.....		03/15/2009..	PRINCIPAL RECEIPT.....		6,108	6,108	6,674	6,270		(162)		(162)		6,108			0	104	03/15/2033..	1FE...
361849-MK-5..	GMAC COML MTGE SECS 2000-C2.....		03/16/2009..	PRINCIPAL RECEIPT.....		3,337	3,337	3,628	3,615		(278)		(278)		3,337			0	51	08/16/2033..	1FE...
362334-CN-2..	GSR MTG LN TR 2006-2F.....		03/25/2009..	PRINCIPAL RECEIPT.....		71,867	71,867	71,869	71,867		0		0		71,867			0	826	02/25/2036..	1FE...
41162D-AF-6..	HARBORVIEW MTG LN TR 2006-12.....		03/19/2009..	PRINCIPAL RECEIPT.....		5,013	5,013	3,672	3,703		1,310		1,310		5,013			0	4	12/19/2036..	1FE...
459200-ES-9..	NTL BUSN WACHS CORP MTN BE.....		02/24/2009..	VARIOUS.....		2,012,000	2,000,000	2,001,380	2,000,382		(133)		(133)		2,000,249		11,751	11,751	20,903	06/01/2009..	1FE...
478160-AQ-7..	JOHNSON & JOHNSON.....		01/31/2009..	VARIOUS.....		1,147,910	1,000,000	1,069,500	1,063,146		(502)		(502)		1,062,644		85,266	85,266	19,579	08/15/2017..	1FE...
466247-LR-2..	JP MORGAN ACCEPT 2005-A1.....		03/25/2009..	PRINCIPAL RECEIPT.....		65,452	65,452	55,634	56,079		9,373		9,373		65,452			0	611	02/25/2035..	1FE...
46627W-AU-1..	JP MORGAN ALT LN TR 2005-S1.....		03/25/2009..	PRINCIPAL RECEIPT.....		126,137	126,137	94,603	94,055		32,082		32,082		126,137			0	1,390	12/25/2035..	1FE...
46630G-AM-7..	JP MORGAN MTG TR 2007-A1.....		03/25/2009..	PRINCIPAL RECEIPT.....		32,347	32,347	31,625	31,784		562		562		32,347			0	98	07/25/2035..	1FE...
48123U-AA-2..	JPMORGAN CHASE CAP XXII.....		02/05/2009..	VARIOUS.....		60,000	150,000	149,135	149,151		0		0		149,151		(89,151)	(89,151)	1,115	05/15/2077..	1FE...
50075N-AC-8..	KRAFT FOODS INC.....		02/26/2009..	VARIOUS.....		3,738,680	4,000,000	3,784,060	3,786,048		595		595		3,786,643		(47,963)	(47,963)	88,111	11/01/2031..	2FE...
525170-BL-9..	LEHMAN ABS MTG 2003-1.....		03/25/2009..	PRINCIPAL RECEIPT.....		19,761	19,761	18,441	16,771		2,990		2,990		19,761			0	160	12/25/2033..	1FE...
55292A-AA-6..	MASTR ASSET SEC TR 2007- 1.....		03/25/2009..	PRINCIPAL RECEIPT.....		12,988	12,988	11,364	11,446		1,542		1,542		12,988			0	122	11/25/2037..	1FE...
55265K-3R-8..	MASTR ASSET TR 2003-12.....		03/25/2009..	PRINCIPAL RECEIPT.....		23,685	23,685	23,629	23,629		56		56		23,685			0	174	12/25/2033..	1FE...
55265K-7Q-6..	MASTR ASSET TR 2004-3.....		01/25/2009..	PRINCIPAL RECEIPT.....		2,135	2,135	2,076	2,100		35		35		2,135			0	0	03/25/2019..	1FE...
58013W-EF-7..	MCDONALDS CORP MED TERM NT BE.....		02/26/2009..	VARIOUS.....		1,252,350	1,210,000	1,187,724	1,187,931		41		41		1,187,971		64,379	64,379	38,539	03/01/2038..	1FE...
629568-AP-1..	NABORS INDS INC.....		02/13/2009..	VARIOUS.....		303,625	350,000	368,342	364,151		(702)		(702)		363,449		(59,824)	(59,824)	859	05/15/2011..	2FE...
63859U-AU-7..	NATNWIDE BLDG SOC SRMTN BE144A.....		01/27/2009..	VARIOUS.....		61,100	65,000	62,918	64,425		38		38		64,463		(3,363)	(3,363)	1,374	02/01/2010..	1FE...
64908Q-AA-9..	New VY Generation V 4.929%.....		01/15/2009..	Principal Receipt.....		51,418	51,418	51,418	51,418		0		0		51,418			0	1,267	01/15/2021..	1FE...

STATEMENT AS OF MARCH 31, 2009 OF THE Group Hospitalization and Medical Services, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Design- ation or Market Indicator (a)
743873-AW-1.	PROVIDENT FDG MTG LN 2005-1.		03/25/2009.	PRINCIPAL RECEIPT.		31,172	31,172	26,497	21,407		9,766		9,766		31,172			0	276	05/25/2035.	1FE.
74436J-EW-3.	99-NRF1. PRUDENTIAL SEC FIN CRP RALI SERIES TRUST 2006-		01/16/2009.	VARIOUS.		212,527	212,527	221,510	213,389	(862)			(862)		212,527			0	1,170	11/15/2031.	1FE.
74922Y-AE-5.	QS15. RESIDENTIAL FDG MTG		01/15/2009.	VARIOUS.		1,855,000	4,000,000	1,527,920	1,527,920	4,472			4,472		1,532,392		322,608	322,608	36,109	10/25/2036.	5FE.
76111X-SD-6.	2005-S1. SALOMON BROS MTG 7 2000-		01/25/2009.	VARIOUS.		183,272	191,690	184,652	185,154	71			71		185,225		(1,953)	(1,953)	909	02/25/2020.	1FE.
79548K-3J-5.	C1. STRUCTURED ADJ RATE		03/18/2009.	PRINCIPAL RECEIPT.		63,697	63,697	68,972	68,807	(5,110)			(5,110)		63,697			0	908	02/18/2032.	1FE.
86361J-AN-0.	2006-8.		03/25/2009.	PRINCIPAL RECEIPT.		18,830	18,830	5,353	5,353	10			10		5,363		13,467	13,467	141	09/25/2036.	3FE.
867914-AY-9.	SUNTRUST BKS INC.		02/03/2009.	VARIOUS.		150,000	150,000	145,991	149,131	96			96		149,227		773	773	1,966	10/15/2009.	1FE.
878742-AF-2.	TECK COMINCO LTD.		03/12/2009.	VARIOUS.		29,425	55,000	22,928	22,928	435			435		23,363		6,062	6,062	1,363	10/01/2015.	2FE.
893526-8Z-9.	TRANSCANADA CORP.		01/16/2009.	VARIOUS.		126,486	125,000	123,935		0			0		123,935		2,551	2,551	344	01/15/2039.	1FE.
902118-BL-1.	TYCO INTL GROUP S A.		01/21/2009.	VARIOUS.		78,000	75,000	74,998		0			0		74,998		3,002	3,002	301	01/15/2019.	1FE.
907833-AF-4.	UNION PACIFIC RR.		01/02/2009.	Sink PMT @ 100.0000000.		32,170	32,170	32,170	32,170	0			0		32,170			0	1,102	01/02/2019.	1FE.
907833-AG-2.	UNION PACIFIC RR.		01/02/2009.	Sink PMT @ 100.0000000.		67,211	67,211	67,211	67,211	0			0		67,211			0	2,127	01/02/2020.	1FE.
907833-AH-0.	UNION PACIFIC RR.		01/02/2009.	Sink PMT @ 100.0000000.		19,085	19,085	19,193	19,192	(107)			(107)		19,085			0	725	01/02/2020.	1FE.
90783X-AA-9.	2007-3.		01/19/2009.	PRINCIPAL RECEIPT.		7,089	7,089	7,089	7,089	0			0		7,089			0	219	01/02/2031.	1FE.
92976W-BH-8.	WACHOVIA CORP GLOBAL MTN.		02/26/2009.	VARIOUS.		580,938	600,000	607,043	248,968	(90)			(90)		606,992		(26,054)	(26,054)	18,600	02/01/2018.	1FE.
92922F-UC-0.	WAMU MTG CERT 2004-CB2.		03/25/2009.	PRINCIPAL RECEIPT.		9,268	9,268	9,200	9,215	53			53		9,268			0	76	08/25/2019.	1FE.
92922F-W2-0.	WAMU MTG CERT 2005-AR10.		03/25/2009.	PRINCIPAL RECEIPT.		30,510	30,510	29,433	29,470	1,040			1,040		30,510			0	229	09/25/2035.	1FE.
93363N-AF-2.	WAMU MTG CERT 2006-AR12.		03/25/2009.	PRINCIPAL RECEIPT.		15,679	15,679	14,444	14,463	1,216			1,216		15,679			0	178	10/25/2036.	1FE.
93935P-AP-4.	WAMU PTC WMALT 2007-1.		03/25/2009.	PRINCIPAL RECEIPT.		2,122	2,122	1,976	1,980	142			142		2,122			0	18	01/25/2022.	1FE.
949746-JJ-1.	WELLS FARGO & CO NEW.		01/07/2009.	VARIOUS.		357,641	350,000	339,385	347,177	45			45		347,222		10,419	10,419	7,105	01/15/2010.	1FE.
949746-NX-5.	WELLS FARGO & CO NEW.		01/14/2009.	VARIOUS.		916,758	900,000	896,256	896,560	11			11		896,571		20,187	20,187	5,484	12/11/2017.	1FE.
949746-NY-3.	WELLS FARGO & CO NEW.		02/20/2009.	VARIOUS.		71,435	75,000	69,523	69,760	154			154		69,914		1,521	1,521	1,868	01/31/2013.	1FE.
94981Q-AF-5.	AR16.		03/25/2009.	PRINCIPAL RECEIPT.		21,703	21,703	21,113	21,117	586			586		21,703			0	180	10/25/2035.	1FE.
94982P-AA-7.	WELLS FARGO MBS 2005-AR7.		03/25/2009.	PRINCIPAL RECEIPT.		140,840	140,840	139,512	139,506	1,334			1,334		140,840			0	1,390	05/25/2035.	1FE.
94983B-AA-7.	WELLS FARGO MBS 2006-4.		03/25/2009.	PRINCIPAL RECEIPT.		27,014	27,014	26,499	26,421	593			593		27,014			0	299	04/25/2036.	1FE.
94980S-AQ-8.	WELLS FARGO MBS 2006-9.		03/25/2009.	PRINCIPAL RECEIPT.		451,143	451,143	433,379	431,283	19,860			19,860		451,143			0	5,044	08/25/2036.	1FE.
94985W-DN-8.	WELLS FARGO MBS 2007-11.		03/25/2009.	PRINCIPAL RECEIPT.		31,244	31,244	30,482	30,580	663			663		31,244			0	318	08/25/2037.	1FE.
94985T-AA-6.	WELLS FARGO MBS 2007-3.		01/14/2009.	VARIOUS.		3,102,370	5,258,255	3,076,079	3,076,079	9,358			9,358		3,085,437		16,933	16,933	2,816	04/25/2037.	3FE.
98385X-AT-3.	XTO ENERGY INC.		02/11/2009.	Barclays Capital.		101,750	100,000	99,713	99,721	2			2		99,723		2,027	2,027	1,119	12/15/2018.	2FE.
98934K-AB-6.	ZENECA WILMINGTON INC.		02/26/2009.	VARIOUS.		3,770,585	3,500,000	3,894,940	3,888,465	(2,521)			(2,521)		3,885,944		(115,359)	(115,359)	73,500	11/15/2023.	1FE.
3899999 - Bonds - Industrial and Miscellaneous						31,072,040	35,450,927	30,650,844	29,642,564	103,636	173,122	0	276,758	0	30,800,757	0	271,283	271,283	450,610	XXX	XXX
8399997 - Bonds - Part 4						149,956,052	150,155,534	146,605,136	80,330,471	103,636	87,520	0	191,156	0	146,966,852	0	2,989,200	2,989,200	1,366,899	XXX	XXX
8399997 - Total - Bonds						149,956,052	150,155,534	146,605,136	80,330,471	103,636	87,520	0	191,156	0	146,966,852	0	2,989,200	2,989,200	1,366,899	XXX	XXX
026874-11-5.	AMERICAN INTL GROUP PFD.		03/25/2009.	VARIOUS.	11,000,000	57,310		93,500	93,500				0		93,500		(36,190)	(36,190)	17,531		P2LFE.
053611-30-7.	LAVERY DENNISON CORP.		03/10/2009.	VARIOUS.	31,000,000	777,036	50.00	790,810	1,061,750		41,233	305,159	(263,926)		797,824		(20,788)	(20,788)	30,516		P3LFE.
172967-59-8.	CITIGROUP INC.		03/25/2009.	VARIOUS.	40,000,000	1,222,889		630,000	1,119,600	887,214		1,376,814	(489,600)		630,000		592,889	592,889	32,500		P2LFE.
8499999 - Preferred Stocks - Industrial and Miscellaneous						2,057,235	XXX	1,514,310	2,274,850	887,214	41,233	1,681,974	(753,526)	0	1,521,324	0	535,911	535,911	80,547	XXX	XXX
8999997 - Preferred Stocks - Part 4						2,057,235	XXX	1,514,310	2,274,850	887,214	41,233	1,681,974	(753,526)	0	1,521,324	0	535,911	535,911	80,547	XXX	XXX
8999999 - Total - Preferred Stocks						2,057,235	XXX	1,514,310	2,274,850	887,214	41,233	1,681,974	(753,526)	0	1,521,324	0	535,911	535,911	80,547	XXX	XXX
053611-10-9.	LAVERY DENNISON CORP.		03/19/2009.	Suntrust Capital.	30,243,600	587,152		575,536		0	0	0	0		575,536		11,616	11,616			
9099999 - Common Stocks - Industrial and Miscellaneous						587,152	XXX	575,536	0	0	0	0	0	0	575,536	0	11,616	11,616	0	XXX	XXX
922908-88-4.	VANGUARD INDEX FDS.		03/11/2009.	Vanguard Group.	388,241,819	7,392,124		7,000,000					0		7,000,000		392,124	392,124			
922040-10-0.						INDEX FUND.		111,358,575					0		7,000,000		393,096	393,096			
9299999 - Common Stocks - Mutual Funds						14,785,220	XXX	14,000,000	0	0	0	0	0	0	14,000,000	0	785,220	785,220	0	XXX	XXX
9799997 - Common Stocks - Part 4						15,372,372	XXX	14,575,536	0	0	0	0	0	0	14,575,536	0	796,836	796,836	0	XXX	XXX
9799999 - Total - Common Stocks						15,372,372	XXX	14,575,536	0	0	0	0	0	0	14,575,536	0	796,836	796,836	0	XXX	XXX
9899999 - Total - Preferred and Common Stocks						17,429,607	XXX	16,089,846	2,274,850	887,214	41,233	1,681,974	(753,526)	0	16,096,860	0	1,332,747	1,332,747	80,547	XXX	XXX
9999999 Totals						167,385,659	XXX	162,694,982	82,605,321	990,850	128,753	1,681,974	(562,370)	0	163,063,712	0	4,321,947	4,321,947	1,447,446	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Totals					0	0	0



SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2009 OF THE
Group Hospitalization and Medical Services, Inc.

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code0380

NAIC Company Code53007

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected.....	2,296,566	XXX		XXX	2,296,566
2. Earned Premiums.....	2,296,566	XXX		XXX	XXX
3. Claims Paid.....	1,947,027	XXX		XXX	1,947,027
4. Claims Incurred.....	2,083,776	XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a).....	XXX		XXX		0
6. Aggregate Policy Reserves - Change.....		XXX		XXX	XXX
7. Expenses Paid.....	351,279	XXX		XXX	351,279
8. Expenses Incurred.....	351,279	XXX		XXX	XXX
9. Underwriting Gain or Loss.....	(138,489)	XXX	0	XXX	XXX
10. Cash Flow Results	XXX	XXX	XXX	XXX	(1,740)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ due from CMS or \$ due to CMS